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# Latin America Report

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20 June 1984

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## PETROLEUM INDUSTRY PLAN FOR 1984-88 PRESENTED BY BETETA

Monterrey EL NORTE in Spanish 12 May 84 p 9-A

[Text] Over the next 5 years Mexican Petroleum (PEMEX) plans to export \$87.5 billion worth of crude oil and natural gas, and to invest at a rate of 6.4 percent a year—estimated at 2.79 trillion pesos. Its operational expenses are expected to total 2.685 trillion pesos.

These figures are in 1983 prices.

Federal taxes on hydrocarbon drilling will total 16.578 trillion pesos for the para-state entity, meaning that PEMEX will become the principal source of revenue for the federation. This will enable the government to support priority programs in other sectors.

The above data are among the main features of the 1984-88 plan for the oil industry, announced today by PEMEX Director General Mario Ramon Beteta, to representatives of oil companies that belong to the Latin American Petroleum Industry Mutual Aid Association (ARPEL).

He also revealed that under the 5-year plan 2.776 million barrels of crude, 4.276 billion cubic feet of natural gas, 1.428 million barrels of oil byproducts, and 13.282 million tons of petrochemicals will be produced on the average each day over the next 5 years.

Investment in drilling wells and in primary extraction, including the installation and construction of offshore platforms, will total 1.918 trillion pesos in 1983 prices. This will bring in a minimum of 7 billion barrels of hydrocarbons for the nation's reserves.

A total of 224 billion pesos will be invested in refining, and investment in petrochemicals will total 373 billion pesos.

Outlays will amount to 224 billion pesos in the commercial sphere, all in 1983 prices.

In the document presented by Beteta moments before the ARPEL meeting ended, some mention was made of the amounts of fuel that will be earmarked for domestic consumption.

As for the distribution infrastructure, it was stressed that the network of polyducts throughout the nation will be expanded by 6,000 kilometers.

An average of 185 drilling rigs will be installed to drill 1,410 wells.

PEMEX revealed that it will have the capacity to sweeten 3.8 billion cubic feet of gas per day as of this year.

By 1988, Mexico will also have the capacity to produce 18.4 million tons of petrochemicals.

During his speech at today's plenary session, the PEMEX director reported to the audience that the petroleum industry will not experience a spectacular growth, and that the Mexican economy "cannot be termed 'petrolized.'"

He summed up the achievements obtained by the new administration.

He stated that in just 10 years, PEMEX quintupled its assets, sextupled the value of its net sales, sextupled its production of crude, doubled that of refined products, quadrupled that of petrochemicals, sextupled its exports, and multiplied the country's hydrocarbon reserves by 13.

He added that PEMEX's influence in strategic factors is of primary importance, since it contributes more than a third of the federal government's current revenues in the form of taxes.

It represents 3/4 of the country's foreign currency earnings, and accounts for more than 30 percent of public investment, 14 percent of total gross investment in Mexico.

With regard to financial results, he reported that income from sales in 1983 was slightly over \$20 billion; taxes were paid on nearly half those revenues.

The firm's debt was reduced by nearly \$2 billion, and after covering imports and the servicing of the debt, the country was left a net surplus of foreign exchange in the order of some \$10.6 billion.

8926

CSO: 3248/651

## BULK OF NATION'S ENERGY SOURCES IMPORTED

Paramaribo DE WARE TIJD in Dutch 21 Apr 84 p 7

[Text] At the moment our nation's energy requirements are for about 62 percent covered by imports and for only 38 percent by domestic energy sources. The latter percentage can be subdivided as follows: hydroelectric power 29 percent; oil 5 percent; and bio-energy 4 percent.

## Oil Expenses

THI-INFO, the magazine for personnel of the ministry of THI [Transport, Trade, and Industry] informs us that oil expenses in 1982 amounted to 250 million Suriname guilders or 12.5 percent of the gross national product and about 33 percent of our total export earnings. One measure to alleviate our energy situation would be the development of national sources of energy.

As far as development of our own potential is concerned our country is thought to be in a rather favorable position. The reason is our wealth of natural resources which also include many potential sources of energy.

## Priority

To determine the source of energy which deserves priority in development we must determine how the oil that should be replaced is ultimately used. In 1982 Suriname used a total of 4.3 million drums of oil with an import value of 250 million Surinamese guilders, as already mentioned earlier. We learned that 11 and 1/2 percent of this oil is turned into electrical energy, 59.8 percent is used as process heat, and the remaining 28.6 is used for transportation.

## Electricity

The magazines believe that the oil used to generate electricity should be replaced by hydroenergy, "so abundant in our country." To generate this form of electricity 498,000 barrels of oil are needed which equals 11.5 percent of our total oil imports.



The area served by the EBS [Suriname Energy Enterprise] - Paramaribo covers the city district and the outlying districts. Sixty eight percent of all oil used to generate electricity is needed to supply this area, its 1982 import value was 21.3 million Surinamese guilders. This percentage includes 90 million kilowatt-hours of electricity sold by Suralco to the EBS.

#### Generate

At the moment two-thirds of the 260 million kilowatt-hours of electricity is generated by 13 diesel engines located in the Saramacca Street. Their total capacity is 43.5 megawatt. The remainder of the electricity comes from Afobakka. In accordance with the Brokopondo agreement Suralco must deliver an average of 80 kilowatt-hours of electricity energy to Paramaribo. In the past 2 years the company delivered another 90 million kilowatt-hours gas turbine to Paramaribo for a good price. Since the bauxite company is now asking 25 percent more EBS-Paramaribo is no longer interested in buying this energy.

#### Improvement

The situation would really improve for the EBS after the completion of the Jaikreek and Phedra projects. The first mentioned project is expected to become operational in 1986 and will deliver an average of 113 million kilowatt-hours of electricity. It is a multi purpose project; in addition to the production of energy it will improve embankments and the navigability of the Suriname river above the dam for better transportation and irrigation; it will also push back the salt water penetration in the Commenwijne District for better agriculture, cattle breeding, and tourism.

#### Hydroelectrical Energy

Hydroelectric energy has the advantage that it is renewable and the price to generate it remains stable. The disadvantage of hydroenergy projects is that it takes a long time to prepare them, both technically and financially. The latter because of relatively high investments and that is why the use of Saramacca oil to generate electricity is being studied. This heavy oil will then have to be used in diesel engines, steam plants, gas turbines and a combination of gas and steam turbines.

#### Alternative

The article reveals that at Wageningen rice chaff is used to generate electricity in an amount equal to annual savings of 1.8 million liters of diesel oil. The SML [Institute for Mechanized Agriculture] is preparing a project named "Expansion of Energy Savings." Within its framework a number of steps will have to be taken estimated to cost about 10 million Surinamese guilders.

The result will be an increase in the energy output resulting in extra savings of 2 million liters of diesel oil per year. To finance this project it will be presented to the European Development Fund.

Bruynzeel Suriname Houtmaatschappij [Bruynzeel Suriname Forestry Products Company] has also potential to generate energy for its product process. Its annual waste of 40,000 m<sup>3</sup> of wood, if fully burnt, could help to meet the energy requirements of the company. Any excess could be sold to third parties.

To contribute to the supply of electricity a new steam turbine installation is needed, it requires an investment of 8 million Surinamese guilders. It could generate 14 kilowatt hours annually. The company's own need for electricity amounts to 9 to 10 million kilowatt hours.

10319

CSO: 3214/44

## FRANJA MORADA FACTIONS UNITE, ISSUE DOCUMENT

Buenos Aires LA NACION in Spanish 18 May 84 p 11

[Text] Three internal factions of the Franja Morada [Purple Fringe], who work at the University of Buenos Aires have united to form the Renovation and Integration Board and for that reason have issued a paper in which they assume a position on the National Coordinating Council and the current situation the university is in.

Raul Sandro Murray of the School of Medicine representing the Radical Youth for Renovation and Change, Jorge Viscuso of the School of Law representing the Radical Socialist Youth and Hernan Lombardi of the School of Engineering and the National Popular Current (CNP) were interviewed by LA NACION and pointed out the "political and methodological differences" that separate the board from the National Coordinating Council, the student faction currently in the majority in the Franja Morada.

"We propose to institutionalize the Franja Morada through the integration of majorities and minorities in its leadership in terms of authentically democratic participation," Viscuso indicated.

As for Sandro Murray, he expressed the "need for having a united student movement that will fight for student demands exclusively, not for personal political positions. We want the Franja Morada to be a strictly university organization, not a trampoline for political activities foreign to the problems of the students," he added.

Lombardi too reiterated the need for "radical expression at the university's really being a student union instrument in the struggle to achieve their legitimate demands."

The Paper

With the signatures of Sandro Murray, Carlos Basanes and Jorge Viscuso, the Renovation and Integration Board announced its appearance on the scene of university policy with a paper in which they declared the union of three factions: the Radical Youth for Renovation and Change, the National and Popular Current and the Radical Socialist Youth, to "organize them into an influential channel in which students can participate for the unlimited duration of the

postulates of the University Reform Program, Franja Morada unity as of its institutionalization, a student movement that will accompany the national movement's antioligarchic and anti-imperialist struggle and a university that is against cultural colonialism, open to the people and will serve to transform the society.

#### Recomposition

In the lengthy process of agreements and meetings, this recomposition of internal factions has induced some people to abandon these factions to go over to the National Coordinating Council, as happened with CNP leader Samuel Herman who is now a member of the latter organization. On the other hand, Jose Maria de Michelis, who was a CNP candidate in the 1983 student elections, is no longer currently active in the CNP, participating only in Radical Party activities.

11,466

CSO: 3348/430

## PUBLIC SURVEY FINDS ALFONSSIN'S IMAGE STRONGER

Buenos Aires SOMOS in Spanish 18 May 84 pp 12-16

[Article by Edgardo Ritacco: "Consensus on Alfonsin"; passages in slantlines printed in italics]

[Text] Despite the reversal in the consensus as concerns the different government sectors, President Alfonsin's image has now been strengthened as of last February, according to a Business Analysts and Management Consultants (A & C) poll. The sectors providing greater support: businessmen and university faculty and students. The decline is among the trade unions. There is perplexity with regard to the foreign debt.

The Alfonsin government has just completed 5 months of administration. It is, of course, facing difficult times, especially as regards the economy where it will have to combat two big basic problems: inflation and the foreign debt. This is why the formulation of a new public opinion poll is of basic interest in order to gauge the consensus on the president at the present time and determine the man in the street's opinion of the administration and its different sectors. As on previous occasions, SOMOS commissioned the firm of A & C, the same one that correctly predicted the election victory of the Radicals in 1983 and which has already handled similar assignments when the government completed 60 and 100 days in office, to conduct the poll. The following clearly emerges from all the results and figures: /while all the sectors examined show a variable loss in consensus; Alfonsin has improved his public image./

In fact: In February of this year when the first poll was conducted, the president obtained 12 percent of the "very good" responses to the question of how he was doing his job. Added to 46 percent of the "good" responses, this percentage formed a total of 58 percent of the positive ratings. Now, after 5 months of administration, the 12 percent of the "very good" responses has been maintained, but the percentage of the "good" responses (54 percent) has increased, which raises the positive total by 8 points. Since there are 2 points less for the "fair" responses (they dropped from 28 to 26), in terms of the method employed in reading the results of the poll, the total improvement of the president's image amounts to 10 points.

Another important detail: The "don't know" category in the table of responses has disappeared; in February it amounted to 6 percent. This phenomenon has

turned into a constant of the new poll: a clearcut reduction in all sectors examined of the number of replies that reveal ignorance of affairs. As university graduate Esther Kaplan, A & C's public opinion chief, said to SOMOS: "The general reduction in the number of 'don't know' responses is a sign that Argentines are getting more involved, participating with their opinions. The only instance in which the number of 'don't know' replies has increased is with regard to the Armed Forces issue, perhaps because people's feelings have calmed down since the problem they were most concerned over — that is, the subordination of the military to the civilian government — has been resolved."

#### Alfonsín As Each Group Sees Him

A great majority of university faculty and students came up with responses favorable to the president's handling of the government. Between the 15 percent of the "very good" responses and the 58 percent of those who said "good," a solid 73 percent of the positive consensus is formed. The curve drops as the level of education descends and reaches 38 for those with "no" education. Among the active occupations, the most favorable for the chief of state's image is that of the businessmen. According to the A & C poll, 77 percent of them gave positive responses as against only 3 percent negative statements. The professionals too came to 77 percent, but with 9 percent of them negative. Pensioners, who reached a figure of 79 percent, placed above both of these population segments. And the worst image was obtained from among the unskilled (13 percent negative) and self-employed workers (10 percent).

#### Economic Dilemma

The most difficult sector for the government in terms of consensus is, as anticipated, the economy. This was so in the February poll when only 1 percent replied "very good" and 19 percent said "good." This low 20 percent in positive ratings was reduced to 16 (1 + 15) in May.

The margin of negative ratings, which jumped from 31 to 43 percent, increased simultaneously. Applying the technique of adding the increase in negative ratings to the drop in positive ones and adding the difference between that and the "fair" responses, we can see that the total decline for the economic heading is 12 points. But there is a suggestive detail which Kaplan noted: "Our attention is drawn to the fact that, the economy being the sector that obtains less positive ratings and consequently accumulates more negative ones, it may be one of those that lost less approval compared with the previous poll: It occupies second place, after housing, on the list of loss of consensus."

When they responded on the economy, those who proved to be the most skeptical in the poll were the skilled [as published] workers (55 percent of the negative responses, adding "poor" and "very poor" together), followed closely by the skilled and self-employed workers, both with 47. Those who salvaged a better image of the economic sector are the pensioners (28 percent of the positive ratings) and the professionals (26 percent). As far as educational level is concerned, the most favorable response was registered at the "secondary [school] incomplete" level (23 percent of the positive ratings) and the most unfavorable at the "elementary" school and "no" education levels.

## Magnifying Glass on the Unions

But the sector where there was the greatest decline in consensus with the government was the unions.

"It's the category in which most consensus was lost," university graduate Kaplan said. "If we take into account the fact that the previous poll was conducted prior to the failure to pass the law, we may conclude that the people of Argentina were in favor of the democratization of the unions. Its major supporters appear to be those who are on a lower rung of the social ladder."

The following has happened: On the issue of union reorganization the largest number of positive ratings was found among the businessmen (50 percent, adding 3 percent "very good" and 47 percent "good" together), followed closely by the pensioners (40 percent), skilled workers (38) and professionals (37). On the other hand, the unskilled workers (19), who constitute one of the fringe elements offering the greatest rejection (28 percent of the negative responses, surpassed only by the self-employed workers with 30 percent), marked the lowest point. The record shows parallelisms when it is analyzed in terms of the parameter of education: 52 percent of the university faculty and students said "good" or "very good," while the greatest rejection (26 percent) was recorded at the "secondary incomplete" level.

## Health and Housing

Thirty percent of those polled said that they approved of the official housing policy: only a couple of points less than in the February poll. And the category of housing has in the total recapitulation lost the least consensus in the authentic transcript in May. The entry for it is -7, which is obtained by adding up the 2 points less of the negative ratings, the zero of the parity in negative ratings and the 5 points of the difference between them and the "fair" entries. Focusing a little closer on this, we note that the greatest support under the heading of "housing" is among the professionals (52 percent of the positive responses) and the greatest rejection is among the unskilled workers (28 percent of the negative responses). Here too, the university faculty and students are those who most approve of the government: 51 percent said "good" or "very good" as against the minimum of 26 the "secondary incomplete" segment registered.

Meanwhile, in health there is a good margin of approval (51 percent), but less than the 59 recorded in February.

The total loss of consensus in this sector is -25.

Going into the occupations of those polled, a large 80 percent of the businessmen approve of what has been accomplished in the field of health, while the most reticent are the skilled workers with 35 percent. On this point Kaplan said: "It is a conspicuous fact that the highest percentage of 'don't know' responses (15 percent) was found among the skilled workers when they were asked about the issue of health, as if the question were of less interest to them in comparison with the unskilled workers. An explanation may be found in the fact that both groups do not appear to use the same medical services."

## The Military and the Foreign Debt

Thirty-one percent of those polled approve of what the Alfonsin government has done about the military issue. Another 27 percent reject it, while there is a large number of those who "don't know" (19 percent, that is, 11 points more than in February) and 23 percent who replied "fair."

Separating them by occupations, the most reluctant with regard to this issue are the office workers (35 percent of the negative ratings), followed by the self-employed workers (32). Again the businessmen are those most favorable to this (37 percent of the positive ratings) and in the parameter of educational level the largest proportion of supporters was recorded at the "secondary incomplete" level (38 percent) as opposed to the skepticism of those of the "completed secondary" category, accounting for 31 percent of the negative responses.

What is certain is the fact that on the whole consensus with the government on the Armed Forces issue has diminished by -26 since February when 18 points less were computed among the positive responses, 8 points more among the negative ones and no change among the "fair" responses. This is the sector of greatest loss for the administration, after the unions. The man in the street's opinion of the foreign debt is fairly ambiguous. All the ratings are similar: 33 percent for, 23 percent against, 22 percent who say "fair" and a record "don't know" of 22 percent. We cannot compare these with the situation in February because this issue was not rated in that poll.

What we can do is to analyze the current figures in detail. The businessmen are the most reticent with regard to the handling of the issue (40 percent of the negative responses) and the professionals not so much so, amounting to 26, and surpassed by other occupations like skilled workers (30), unskilled (28) and self-employed workers (28). The most support was recorded among the pensioners (46 percent of the positive ratings) and the office workers (40).

As concerns educational level, the "completed secondary" sector is the most favorable with 44 percent of the "good" and "very good" responses. An exact tie has been produced among university faculty and students: 27 for and 27 against.

And lastly, in education the favorable consensus amounted to 54 percent, 3 points less than in February and 24 less in the total recapitulation. Support on this issue drops with the level of education (64 percent among university faculty and students, 49 percent among elementary school graduates or those with no education) and here too the businessmen view official policy in a more favorable light: 70 percent approve of what has been accomplished in education as opposed to the skepticism of the skilled workers who round off to about 15 percent of the negative replies.



<u>Consensus</u>	<u>Occupation</u>						<u>Self-Employed</u>
	<u>Business-men</u>	<u>Profess.</u>	<u>Office Employees</u>	<u>Skilled Workers</u>	<u>Unskilled Workers</u>	<u>Pensioners</u>	
Very good	10%	17%	11%	—	14%	22%	9%
Good	67	60	59	56	38	57	51
Fair	17	14	25	38	35	15	30
Poor	3	6	3	6	12	4	6
Very poor	—	3	1	—	1	2	4
Don't know	3	—	1	—	—	—	—

General Consensus

Very good	12% (12)
Good	54 (46)
Fair	26 (28)
Poor	6 (6)
Very poor	2 (2)
Don't know	— (5)

What Argentines think of the Aoffnsin government today — sector by sector — and what they thought of it last February (in parentheses).

<u>Consensus</u>	<u>Sector</u>									
	<u>Education</u>	<u>Health</u>	<u>Justice</u>	<u>Housing</u>	<u>Foreign Debt</u>	<u>Armed Forces</u>	<u>Unions</u>	<u>Economy</u>		
Very good	8% (16)	9% (13)	6% —	4% (6)	3% —	2% (10)	2% (11)	1% (1)		
Good	46 (41)	42 (46)	44 —	34 (34)	30 —	29 (39)	26 (34)	15 (19)		
Fair	31 (14)	29 (18)	29 —	26 (21)	22 —	23 (23)	39 (21)	38 (42)		
Poor	9 (5)	11 (7)	13 —	16 (14)	18 —	21 (17)	19 (14)	35 (26)		
Very poor	1 (1)	3 (1)	2 —	5 (7)	5 —	6 (2)	2 (3)	8 (5)		
Don't know	5 (20)	6 (14)	6 —	15 (17)	22 —	19 (8)	12 (15)	3 (5)		

<u>Consensus</u>	<u>Education</u>				
	<u>University</u>	<u>Completed Secondary</u>	<u>Secondary Incomplete</u>	<u>Elementary</u>	<u>No</u>
Very good	15%	13%	10%	12%	—
Good	58	66	54	49	38%
Fair	21	16	23	31	31
Poor	3	2	10	6	25
Very poor	3	1	—	1	6
Don't know	—	2	3	1	—

11,466  
CSO: 3348/430

## IBGE SAYS INDUSTRIAL PRODUCTION ROSE 3.96% IN FIRST QUARTER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 84 p 30

[Text] Rio--Brazilian industrial production increased 3.96 percent in the first quarter of this year compared to the same period in 1983, strongly influenced by the growth of the mineral extraction industry the production of which increased 30.61 percent during that period, according to the current indicators revealed yesterday by the Brazilian Geography and Statistics Institute Foundation (IBGE).

The president of IBGE, Professor Jesse Montello, explained the results of the quarter as stemming from the good performance of exports, which required the increase of production of a number of industrial segments of the processing industry.

The processing industry expanded 3.08 percent during the period January-March of this year mainly as a result of the performance of the following sectors: metallurgical (plus 13.80 percent), mechanical (plus 13.84 percent) and chemical (plus 9.85 percent). In the metallurgical industry, the principal increase occurred in steel, with a growth rate of 27.26 percent, attributed to the good performance of the export of steel products, the accrued revenues of which exceeded the figure obtained in the first quarter of 1983 by 39.91 percent.

In the mechanical industry, the 13.84 percent increase resulted especially from the greater production of the auto industry, which showed an increase of 7.64 percent. In the same segment, there was also an increase of 3.66 percent in the transportation material sector. The decisive contribution to the better performance of the chemical industry, with a growth of 9.85 percent, was made by the petrochemical industry the production of which increased 6.83 percent.

#### Categories

In the master-sector classification, the best figures were: oil and gas extraction (plus 34.42 percent) and fertilizers (plus 48.66 percent). Listed in the positive performance of those sectors are the mineral extraction industry, exports, transportation and fertilizers, respectively. In the sector of farm machinery, the tractor industry sold 104.3 percent more quantitatively in the domestic market during the first quarter compared to the first quarter of 1983.

In the quarter from January to March, 12 industrial sectors showed a decline, thus not keeping up with the rising trend shown by industry in general during that period. Among them were the following sectors: nonmetallic minerals (minus 4.43 percent), other metallurgical products (minus 4 percent), electrical and communications material (minus 3.83 percent), other processing industry products (minus 10.11 percent) pharmaceuticals (minus 2.40 percent) and perfumes, soaps and candles (minus 1.10 percent).

8711

CSO: 3342/105

## ARMS EXPORT EXPECTED TO SURPASS \$2 BILLION AS OF 1985

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 May 84 p 6

[Text] Brasilia--The National Military-Use Material Export Program (PNEMEN), which is still of a secret nature, was revised by the National Security Council for the purpose of facilitating the development of the production and export of military materials, especially the new weapons of the national industry.

According to military sources connected to the military sector, by 1985 arms exports could exceed \$2 billion. The 350 companies in that sector in Brazil will export most of those arms to 38 countries: the AVIBRAS integrated anti-air defense system; the "Piranha" guided-missile conceived by the DF Vasconcelos Company and the Army Technological Center; the 30-ton "Tamoio" tank of the Bernardini Company; the 40-ton "Osorio" tank of the Specialized Engineers Corporation (ENGESA); the "Tucano" military plane of EMBRAER; the AM-X supersonic [as published] fighter produced by a consortium with the Italian companies Aermacchi and Aeritalia; the first control equipment designed by AVIBRAS; and munitions and light armaments produced by the Ordnance Industry (IMBEL) and other companies.

According to military sources, the prescription for any businessman interested in producing and exporting armaments is as follows: first, insure a highly competitive place in the foreign market; second, choose a line of products that can be tested by the armed forces and certified by them for their own use; and set up a business scheme that does not depend on orders from the army, navy or air force, whose budgets have been reduced. In short, the solution is to set priorities.

## Privation

The predictions are that Brazil will soon be independent of foreign arms imports and in a position to supply its own needs and export on a substantial scale to earn foreign exchange. IMBEL itself, connected with the Army Ministry is being gradually privatized. Furthermore, that measure is being supported by military sources as a market strategy aimed at diversifying and expanding the company's production line. One of the areas of the international market to be most exploited by IMBEL will be that of special munitions such as propellants, gunpowder, dynamite and cordite.

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## DETAILS ON JOINT AIRCRAFT PRODUCTION WITH UK

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 84 p 6

[Text] Vale do Paraiba--Brazil and Britain are going to develop a binational project for the joint construction of a plane intended for commuter flights which should be contending for the world market early next century. That information was revealed in Sao Jose dos Campos yesterday by the Brazilian Aeronautics Company (EMBRAER).

The project of the new plane is part of a number of industrial and technological contracts in the aerospace area which will be signed in London today between the president of the Brazilian company, Colonel Osires Silva, and the superintendent of Short Brothers, Philip Foreman. This group of contracts is also aimed at the international competitive bid opened yesterday by the Royal Air Force for the purchase of 155 advanced training planes intended for British military pilots in the amount of approximately \$250 million. The British Government wants the winning plane to be built under license in production lines installed in the country under binational control.

With the signing of the contracts between EMBRAER and Short Brothers this morning, the Brazilian company will meet the principal requirement of the bid opened at the beginning of the year by the British Royal Air Force for renovation of its military training plane squadron. Of 18 bidders, the EMB-312 "Tucano" built by EMBRAER was the first plane qualified, together with the Swiss PCP-9 "Pilatus," which associated itself with the powerful British Aerospace Group. Fourteen competitors have been eliminated and the British "Firecracker" and the Australian A-20 "Wamira" are still in the competition.

In the event that it wins the competitive bid, the Brazilian plane will be exported to Britain in the form of kits, as occurs with Egypt, where EMBRAER won an international competitive bid last year for the sale of 120 planes in the over-all amount of \$181 million. The "Tucano" is being assembled in the industrial facilities of the Arab Organization for Industrialization (AOI) with headquarters in Kader, the industrial district of Heliopolis, a satellite city of Cairo.

The superintendent of Short Brothers pointed out that the contracts that will be signed today between the two companies is common between larger industries in the aerospace field but "will be the first between smaller aviation companies." He pointed out also that EMBRAER and the British industry "are practically identical, employ the same number of workers (about 7,000) and build medium and small-sized planes."

Colonel Osires Silva declared that, independent of the British bid, since the beginning of the year, the "Tucano" accounts for the largest volume of EMBRAER's sales. Thus, the "Bandeirante" loses its position as the company's spearhead after leading sales for 14 years.

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## DETAILS ON TEST, MANUFACTURE, MARKETING OF AM-X TACTICAL JET

## AM-X Flight Advanced

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 May 84 p 7 •

[Report by Roberto Godoy]

[Text] The advanced tactical fighter AM-X, the most ambitious project of the national military industry, developed by an Italian-Brazilian consortium comprised of the Aeritalia, Aermacchi and EMBRAER companies, is going to fly today for the first time, unexpectedly, at the test area of the Italian builders in Turin. Thus, the sector timetable, which had not envisaged the inaugural flight until the beginning of June, is being advanced by 1 month. The official presentation of the new attack jet which is intended to equip the air forces of Brazil and Italy on a priority basis will be held on 21 June before representatives of the two governments.

This morning, only a small audience of technicians and military men will see the first takeoff. The programmed test will be made by the veteran NATO fighter pilot, Manlio Quarantelli, today chief test pilot of Aeritalia. As he usually does on those occasions, Manlio will use the same jumpsuit and helmet used in other first flights, such as that of the supersonic "Tornado." He will make a quick tour of the air operations room and then will "put on" the AM-X--as the interaction between man and machine is usually referred to. The plane will remain in the air for a short time, returning quickly to the evaluation benches of the engineering division.

'Centauro'

Today also, the impressive Italian-Brazilian jet may be designated by its final name, "Centauro," replacing the designation of AM-X (A for Aeritalia, M for Macchi and X for experimental) of the original project. Thus, when the first prototype built in Brazil by the Brazilian Aeronautics Company (EMBRAER) flies in Sao Jose dos Campos in the first half of 1985, the logotype combining the colors of both countries--green, white, red, yellow--will be painted on the plane's fuselage. The technologically very advanced fighter project will cost \$600 million in the development phase. It is going to go into operation in the Brazilian Air Force (FAB) in 1987. The development and construction of the AM-X is distributed as follows: 30 percent by EMBRAER,

46 by Aeritalia and 24 percent by Aermacchi. EMBRAER has already developed and produced the wings, the pylons (to support the load under the wings), the air intakes for the motor, the horizontal stabilizers and the external fuel tanks for the first prototype. The motor is a Rolls-Royce Spey MK-807 turbofan with 11,030 pounds of maximum thrust. The navigation systems, electronic for the most part, are redundant to the third degree and the penetration capability is accentuated by the use of two electronic countermeasures systems which make the plane a practically invisible target.

Conceptually, the AM-X/Centauro is an upper-subsonic fighter capable of flying at a speed of 1,100 km/hour, used mainly in missions of interdiction and primary frontal attack or reconnaissance, although in formal conditions it is also a bombing vector for ground positions situated at points far beyond the enemy lines. It so happens, however, that that performance purpose was considerably expanded after the engineering analyses, with the plane being qualified "in particular tactical conditions" as appropriate for use in interception and air defense tasks.

"It is a source of knowledge and a great challenge," declared engineer Osires Silva, superintendent of EMBRAER, seconded by his counterpart in the program, the Italian Giorgio Danielli of Aeritalia, who considers the plane "the beginning of a family that may have a second supersonic generation in the nineties." Throughout the whole project, formally begun in 1980, modifications were made in the so-called "Brazilian variation," many of them incorporated by the Italian partners, as is the case of the greater range, in the order of 2,000 kilometers, chosen by the Brazilian delegates to the binational technical commission. Other changes were approved by the specialists, such as the use of digital bars in the central controls and a "kevlar" armored overlay on the lower section of the fuselage.

#### Italy Predicts Success

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 84 p 6

[Report by Roberto Godoy]

[Text] The maiden flight of the new tactical jet AM-X "Centauro," a binational project of Italy and Brazil, favorably impressed the observers of "three important European countries," permitting the Rome government to "predict wide commercial success for the plane," according to the spokesman of the office of the secretary of defense, Giovanni Spadolini. In Brazil, FAB officers considered "noteworthy" the fact that the plane was kept in operation for 48 minutes, carrying out the initial tests of the operation of controls in its inaugural takeoff.

One of the air force fighter groups contacted EMBRAER specialists who are following the AM-X in Caselle to learn if there had been any type of trial before the day before yesterday and received the information that the "Centauro" "only left the ramp at 1520 on 15 May." The Brazilian military fliers regarded as positive the technical solutions found to make the new upper-subsonic fighter-bomber an advanced air vector, with its raised cockpit, with wide visibility in all directions, or the fire control by computer with a use-selector for up to four targets simultaneously.



The AM-X is built by Aeritalia, Aermacchi and EMBRAER, with the Sao Jose dos Santos company being responsible for 30 percent of the investment of \$600 million, that is, \$180 million. Italy is going to buy 200 planes and Brazil an as yet formally undetermined number, between 80 and 100 units.

### Jealousy

However, there is an unusual emotional factor in the enterprise: the Italian partners are apparently resentful of the growing "Brazilian" image of the new fighter. That became quite evident this week during preparations for the maiden flight. The correspondent in Italy of a weekly magazine published in Sao Paulo was refused access to the institutional information material with the argument by the representatives of the Aeritalia-Aermacchi consortium that the Brazilian press should be taken care of by EMBRAER, despite the fact that the headquarters of that company is in Sao Jose dos Campos and not in Turin. The same reporters also heard the sarcastic comment that "the AM-X is becoming excessively tropical" by one official, who emphasized: "Mark you well, the plane is Italian and it should be announced as such."

The basic point of that situation, however, is the sensitive question of marketing the planes to other countries. Yesterday, Aeritalia announced that it plans to sell the AM-X "to several Latin American countries," thus entering a collision course with EMBRAER by announcing that it plans to contend for Brazil's regional market. The means by which the participants in the binational enterprise will be able to sell the product of that joint effort have also not yet been defined. Apparently it will not be an easy task. On the 5th, during a reception at the Hotel Ca D'Oro, one of the aides of the defense secretary, Giovanni Spadollini, who was visiting Sao Paulo confided to reporters his impression that "EMBRAER's sales executives are arrogant and presumptuous."

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ONOFRE JARPA ON CURRENT POLITICAL DEBATE, POSSIBLE OUTCOME

Santiago ERCILLA in Spanish 23-29 May 84 pp 8-14

[Interview with Interior Minister Sergio Onofre Jarpa by German Gamonal, in Santiago; date not specified]

[Excerpts] Political Ideas

Sergio Onofre Jarpa did not evade any political issue, and indicated what he deems most important about the present government, as may be observed from the responses that he gave to ERCILLA.

[Question] Do you think that the political laws will provide the stability that the country requires?

[Answer] The study and promulgation of the fundamental laws stipulated by the Constitution are essential to achieve a real, effective, democratic system, creating political stability.

In other words, a real commitment to maintain the system, as in the United States or Colombia, where the winner does not attempt to become a totalitarian party and govern for 30 years; nor does the loser start undermining the system in order to overthrow the government.

[Question] Denying it salt and water, as was commented once here...

[Answer] Of course. The first thing that we must ask of the democratic political sectors is a commitment to the system. To be sure, we cannot demand it of totalitarian or Marxist parties.

The law on parties has this purpose: that the parties form an organic whole with the system. We do not want to politicize the country in partisan terms, but the political groups must play a leading role as channels for the citizens' participation.

[Question] What is the status of the restudy on the party law?

[Answer] It is ready to be submitted to the Junta.

[Question] With many changes?

[Answer] With very few changes in the published text. I shall request a meeting with the president of the Council of State to explain the changes made in it by the executive body, which are very few in number, and then we shall submit it to the Junta.

[Question] Has the number of signatures required to establish a party been increased to 50,000?

[Answer] That is one of the points that I intend to discuss with the president of the Council of State, because there are different opinions regarding the topic of your question. The idea is that there be few parties, but very stable ones, so that they may be strong supports for the democratic system

#### The Periods of Time

[Question] What are the periods of time for promulgating these political laws?

[Answer] I think that this group of fundamental laws may be studied and promulgated within a short period; not short in days, but short in terms of the process that we are carrying out. I cannot give you exact figures, but later we shall have to hold a plebiscite in order to ask the public its opinion regarding the possibility of setting an earlier date for elections for those elected to Congress.

[Question] But you are indicating the same thing that has been publicized by the Group of Eight....

[Answer] The president of the republic commented on this matter in official speeches on 11 September and 11 March, and cited the government's intention of progressing rapidly in the study and promulgation of these laws; which does not mean that they will fail to be studied in detail, accepting all constructive views.

#### Political Stability

The president has reiterated this intention in order to establish solid foundations for the government system, the efficiency and stability of which is a very important factor for Chile's future.

[Question] Political stability as in the 10-year periods?

[Answer] Exactly, we had stability in Chile from 1830 to 1891; in other words, from the Prieto government, after the battle of Lircay, until the first part of the Balmaceda government. Then the regrettable civil war occurred, but there were 60 years of political stability. That brought prosperity, despite the fact that the country lacked wealth, and despite the fact that it had been the poorest of the Spanish colonies, geographically dissociated from the commercial routes and from culture. We came to be a vanguard nation, as all historians, both Chilean and foreign, admit.

[Question] And all that was due to Portales' political stability?

[Answer] It actually was, because we had political stability and a government system which operated efficiently despite the difficulties.

We must not rest nor draw back in the face of difficulties. That is what we must do now in the political realm: create a system that will glean our experience and operate according to our individual features, with a style of our own, and no imposition of foreign models.

#### Impacting Polls

[Question] What are the public's major concerns?

[Answer] In magazines opposed to the government polls have been published showing that between 70 and 80 percent of the population is not concerned about the political debate, but rather about other things. The main concern is something that is also of concern to the government: providing jobs. We are doing everything possible, day by day, through all the ministries, to solve the unemployment problem.

The second issue is housing. What people want and desire most is to have a house, a place of their own in which to live. Also stressed in the polls is a very legitimate desire to earn more income and to have wage readjustments.

[Question] What do the polls say about political problems?

[Answer] Approximately from 5 to 7 percent of the public queried (and we take these polls very often) replies that Chile's leading problem is the political one.

[Question] Is a poll on the return of the exiles effective?

[Answer] It is effective; we have taken polls, and 7 percent say that all those exiled should return; but the vast majority of those polled reject the return of the extremists.

In another poll, a question was asked about an imaginary presidential election, and a large majority thought that an independent president should be elected.

[Question] Do you think that your "openness" was a mistake or a failure?

[Answer] The fact is that all the measures were adopted by the president of the republic, and not the interior minister. We began the study of the political laws, and the president wanted all the democratic sectors to participate.

The logical thing was also to promote a public debate on these issues. It was neither practical nor feasible to prevent the holding of that debate, which had far more participation than expected, and was a favorite topic in the newspaper headlines for a long time.

To my way of thinking, this political debate has been very helpful, because it has proven one fundamental thing: that there is not yet (and I hope that there will be soon) a conglomerate of political forces and democrats with clearcut, well-defined intentions, that would arouse the support of the majority of citizens, and might come to be a stabilizing element in the country.

[Question] Are you thinking of the Group of Eight?

[Answer] The debate has served to show a vacuum, but people have started to unite and the fact that eight political groups of different origins and with differing positions have agreed, as occurred recently, on a rather realistic plan submitted to the executive body and the Junta for consideration, is already a very important step; and I hope that it will be the start of a major integrating political bloc.

I think that this should be a force to integrate all sectors, with a common purpose to be creative and to strengthen our nationhood, and, of course, serve as the best backer of a government system that will reinforce the country's chances for development.

[Question] There is another sector opposing this Group of Eight...the Democratic Alliance.

[Answer] Of course, but there are democratic sectors and pro-Marxist sectors in the Alliance; sectors which were allied with the Marxists in 1970, with the worst results for them and for the country. So I hope that this situation will become clarified and that something constructive will come out of it; but I greatly fear that a pact such as the one that brought Mr Allende to the presidency will emerge again. If they manage to attain their goals, we would return to the situation of 1970.

[Question] How did the dialog that was fostered by Monsignor Fresno go?

[Answer] I read statements from the president of the Democratic Alliance, saying that it was not their intention to hold dialog with the government, but rather with other political sectors; something that seems perfectly all right to me.

[Question] Who made those statements?

[Answer] Don Hugo Zepeda. It seems understandable to me, that they should want to reach agreement among themselves first. Would that a political agreement could be reached among the democratic sectors; something that would be very helpful to the country.

[Question] It would appear that the openness has served to cause divisions among the parties.

[Answer] Action will have to be taken to find a base of understanding along broad lines. The situation that you mention is regrettable, but I am optimistic. I believe that, at the beginning, we were witnessing the struggle among the petty political chiefs who want to have their own tribe. As a friend of mine commented, there are many chiefs in the field, but the problem is to find the Indians.

This will gradually clear up, and the law on parties will be the first step toward finding out who's who in this dialog.

#### Terrorism

[Question] There has been a great deal of debate regarding the antiterrorist law. The latest statement came from the bishops' meeting held in Lo Vasquez. What can you say on this subject?

[Answer] Terrorism must be confronted, because it is a form of war imposed on us by Soviet Communism, and it must be confronted without weakness; because, in the end, if we Chileans are not resolved to cut off the progress of the terrorists, they will end up imposing conditions on us.

[Question] That sounds like a comment copied from Felipe Gonzalez....

[Answer] In European countries with an indisputable democratic position, anti-terrorist laws have been passed which in many respects are more stringent than the law adopted recently in Chile.

I am surprised that there are sectors of the Church with doubts in this regard, concerning the government's obligation to prevent the continued spread of terrorist action, by means of the law and the courts of justice.

It is all very well to ask for prayers that the terrorists will become converted, but in the meantime measures must be adopted; because the conversion of these terrorists and their transformation into good Christians may take some time.

[Question] The Christian Democratic Party criticized the law....

[Answer] Of course, because they didn't make it. In essence, this is hypocrisy, because everyone knows that an antiterrorist law is necessary (I am not referring to the Church, but rather to the political sectors that are exploiting this issue); and it is also due to another point, the old bad habit of maintaining good relations or the best relations with the Communist Party, attributing to Communism an electoral power that it does not have.

And since terrorism is the armed branch of Communism, anyone who attacks terrorism must eventually come into confrontation with Communism; and that is not wanted by certain political leaders who talk a lot about democracy, but who go over to the side of the Communists when it is time to assume responsibilities. Those who were arrested with explosives were trained in Cuba.

[Question] Has that been proven?

[Answer] Yes, it has been proven absolutely; and the weapons with which the terrorists are operating to commit assassinations come mostly from the Communist countries, so that is no margin for error. There is here just one hand that is leading the Soviet terrorist action in the world, using propaganda, infiltration and economic resources; in other words, using terrorist methods.

[Question] What is the cause of the terrorism in Chile?

[Answer] They realized that they lacked the backing of the public for a political mobilization, which they attempted to carry out through public gatherings, marches, etc. Later, there was talk of a work stoppage, and they were not successful with that either.

[Question] There seemed to have been a certain amount of success in the protests....

[Answer] Protests are rather useless methods because, apart from the destruction and loss of working hours, the vandalism and the unfortunate deaths of some citizens, they are a political expedient which leads only to chaos.

Since they are aware that the vast majority of Chileans do not want to dissociate themselves from the Constitution, nor to have civil war or confrontations with the Armed Forces, they resort to terrorism as a method of softening the anti-Communist positions. But they won't succeed. Quite the contrary: I think that the public is becoming aware of what terrorism means, and will identify very clearly those who support these criminal methods, either directly or indirectly.

#### Press Law

[Question] What can you tell us about the press law?

[Answer] This legislation, which has two fundamental purposes, has been in abeyance for some time. Its first purpose is to safeguard the reputation and honor of individuals; and the second is privacy, because people are entitled to lead private lives and not to be the object of publicity-motivated spying.

These two rights, which are acknowledged in the Constitution, are now protected by a law which is not intended to curtail freedom of the press. The press has an immense task, of extraordinary importance to the society, one which far transcends probing into the private lives of individuals.

[Question] The problem lies in knowing where the private life of those in public office begins.

[Answer] This law will be implemented by the courts of justice, which have to decide on what you have mentioned. There is always the expedient that, if a person in public office fails to meet his obligations, the laws stipulate

how the pertinent charges may be brought and the measures that can be adopted in a serious manner. It is not a matter of relieving those in public office from the fulfillment of their obligations and their responsibilities. Quite the contrary: this is in the codes, it is in the penal code and the regulations on public administration.

I read an editorial today (Sunday) by the dean of the Chilean press, in which he acknowledges the need for this legislation, but objects to the timing....

[Question] Because of the current charges affecting high-ranking officials....

[Answer] Exactly, but the fact is that the charges were already made and were published; and, contrary to what had been predicted, the government did not adopt any measure to prevent these publications from being made, which proves two things: first, that there was no intention of preventing the disclosure; and second, that there was no intention of preventing the investigation either.

Some rules based on mutual respect must be reestablished, and we must avoid the excesses to which we succumbed during the Popular Unity government.

[Question] But this did not occur now, and the conditions are different....

[Answer] Fortunately, it did not occur now, and it is precisely with this law that we shall try to avoid its happening in the future.

Abolishing aggressive adjectives and expressions involving individuals in public debate, and leaving the families at ease, dissociated from the vicissitudes of the political battle, seem to be to be a very important step towards our starting to understand each other as civilized persons.

#### The Political Country

[Question] Is the present administration a group government or a national government?

[Answer] The present administration is governing for the country and not for any particular group, or for a pressure group, which can sometimes be political, economic or even labor union. It must govern for the silent majorities, not for the shouting minorities.

[Question] You have put up a very steady defense of the government, but there are sectors with very different positions.

[Answer] There are always people who think differently, because it must be understood that politics is the struggle for power: the one without power seeks it. So long as he does not attain it, he criticizes, and stresses everything that is negative.

Everything that the government does will be criticized or misinterpreted, but I want to explain something. That is the opinion of the political leaders,



who are very respectable people, but who in this respect are engaged in propaganda activity aimed at leading them to the government.

The government is concerned with the major national problems, with the people who are the ones making the effort to keep the country going. We must not allow ourselves to be influenced by the political leaders, whose opinions are self-interested. I am not saying that they are all malicious, but they are self-interested, and aimed in a different direction.

Furthermore, there are people here who consider themselves the owners of the term "democracy," as if they had registered it in a trademark registry; and that is not the case. All of us Chileans have the same right to consider ourselves democrats.

It would be feasible for the very ones who turned this country over to the Marxist minority and installed it in the government to stop giving lessons in democracy to all Chileans.

[Question] What do you think will be the significant accomplishment of the present administration; in other words, the one that will endure in history?

[Answer] I think that it is a new period of political stability and economic development like the one we had during the last century, which brought us to the vanguard position that we mentioned earlier. I also consider the recovery and creation of culture to be significant. Look at what has been done during recent years in the area of museums, in painting, in....

[Question] And why has there been talk of a "cultural blackout"?

[Answer] What cultural blackout? How many museums have been created? There has been development and dissemination of art, culture and music, which is on a high level in Chile: the choruses, the orchestras, etc. It would take too long to make a list of the new museums and libraries. What cultural blackout?

Never has so much been done on behalf of the basic development of culture. In the past, we had an elitist development, but the masses were completely cut off from these initiatives. Now, Chilean values are being publicized all over the country, showing the traditions and what Chileans of other times have done.

This government's accomplishment has been immense, but the most important thing will be the projection that this accomplishment will have in history. The forestry plan alone means the creation of a resource with larger dimensions than copper. The political stability and the economic, social and cultural development will endure in history; and, to put it in one comment, I think that the government has reestablished the vital impetus of the nationhood.

Finally, I would say that all this is being done so that the Chilean youth will have a far greater country, in which they can lead a new era of history with internal creativity and expansion, like the one that the Chileans of the last century were capable of achieving.

## The Socioeconomic Achievements

What the government does in the socioeconomic area is essential to the minister of interior. He thinks that they are "really positive" things for this and the coming generations.

[Question] But the first thing is the excessive indebtedness.

[Answer] As a result of the Popular Unity government, the production economy was wiped out. The agrarian reform which started before meant not only the destruction of the country's productive capacity, but also the annihilation of the infrastructure. It cost billions of dollars to replace this.

In addition to the lag in productive and technological areas, the country was left totally bankrupt, because the reserves in the Central Bank were depleted; we had stopped paying the foreign debt; we lacked food and credit. The country's reconstruction took place with many difficulties, and by resorting to a very expensive debt. It was extremely difficult to procure funds, and when they were obtained, the cost of these loans was very high. That was the cause of the foreign debt.

[Question] Do you note positive results, could you give some concrete figures?

[Answer] I want to get to that; in the first place, I would mention the forestation. Over a million hectares have been planted, increasing the production of cellulose for paper manufacture with amazing speed; to the point that I think the construction of new plants will be studied during the next few years.

A few years ago, we were exporting about 7 million crates of fruit. With the government's policy, this year we shall be exporting 42 million crates.

We have also become one of the leading exporters and producers of fish meal in the world. We shall continue with the tuna, and with shellfish breeding; as well as a port on Easter Island, where a fishing base will be installed, etc. Fishing is a branch of industry that is of extremely great importance.

In agriculture, we are rapidly bringing about better productivity per hectare. This year, the beet production will mean that 90 percent of the sugar that we consume will be produced in Chile, and perhaps 100 percent next year. As for corn and rice, we shall meet 100 percent of the consumption, and we have made highly significant increments in wheat.

The southern highway has opened for us an area with vast potential for livestock raising, forestry and mining.

Until recently, we produced about 3,000 kilograms of gold; last year, 30,000 kilograms were produced; and with the plans in effect, I think that we shall reach 60,000 kilograms during the next 2 years; which represents over a billion dollars.

## Unemployment

[Question] Nevertheless, the unemployment indexes remain very high.

[Answer] But they will decline, because new plans are being developed through CORFO [Production Development Corporation], ENDESA [National Electric Power, Inc] and ENAP [National Petroleum Enterprise], associated with the utilization of the gas and water power or of the salt deposits in the north. This means that we shall be bringing in new natural resources and creating others, so as to have sufficient funds with which to pay our foreign debts and continue the country's development, and to provide work for all people with the ability to produce.

There are hundreds of thousands of young people in the universities and technological institutes, and the country must open up a path for them to the future, giving them the opportunity to become incorporated into productive tasks. That is our work, and I am absolutely convinced that, during the next few years, we shall be able to accomplish this genuine mission of putting a second story on the country, so as to accommodate all Chileans who want to work and produce.

## The Social Realm

[Question] What has been done in the social realm?

[Answer] In the social area, it was found that 22 percent of the country's population was living in extreme poverty, from which they could not emerge without the community's support.

This year, 63 percent of the budget has been appropriated for social development: nutrition, health, education, low-cost housing, backing for the community through the municipalities, etc. This figure should be compared with the 27 percent that was earmarked for this purpose before the present government.

This year, over 40,000 dwellings will be constructed; hundreds or thousands of nursery schools and open centers, mothers' centers, etc. have been created, as an extremely important aid to the country's most needy people.

## Emerging From the Crisis

In the area of infant mortality, we rank among the countries with the lowest mortality rate in Latin America, achieved with the government's nutrition plans. We have made an enormous effort, and we are progressing, but we have problems: The price of copper has dropped greatly, interest has risen and we are experiencing a situation wherein we must tighten our belts; but I am absolutely convinced that we shall be emerging from the crisis starting next year.

2909

CSO: 3348/435

## SOCIAL-ECONOMIC COUNCIL MEMBERS OUTLINE OBJECTIVES

Santiago EL MERCURIO in Spanish 24 May 84 p C 2

[Text] Yesterday, the members of the Social-Economic Council announced the plans that will guide their work in the new entity, which was established at a ceremony headed by the department head, Sergio Onofre Jarpa.

On this occasion, the representatives of various activities associated with national life expressed their views on the task that will be incumbent on this agency to advise the president of the republic.

The head of the Teachers Association, Eduardo Gariazzo, remarked that one of the most important points of concern to him, to be dealt with in the Social-Economic Council, is that relating to labor; but that everything would be subject to the consultations that are held with him and the comments made by his union regarding particular issues.

He explained: "At the present time, I would like to refer to the results of the first meetings. Later, we shall be completely informed concerning the mechanism and on how we shall be operating."

Upon being asked about the nature of the agency, he said: "The group of advisers will unquestionably be very important in the decisions made by the authorities"; because "this group of advisers has the authority for that."

Regarding the criticism made by some sectors of the mechanism used to appoint the members of the council, he responded: "What is there in the world that is not criticized, that does not have detractors or defenders, those who are satisfied and applaud, and those who are never satisfied? The important thing is to progress, as El Quijote told Sancho Panza."

The head of the Andean Zonal entity, Hugo Estivales, stated: "We in this group of businessmen, government representatives and workers must arrive at a consensus. We must consider what we can do to benefit the country, without harming our rank and file. On the basis of this principle, we shall automatically bode a very good future for the Social-Economic Council."

He argued that one of the tasks assigned to the members of the entity is to battle against the council's detractors.

In any event, he explained that, in his view, "It is not ideal, because a Social-Economic Council has to be elected by the rank and file."

He noted that this is, nevertheless, a first step, which is important, because it proves the existence of an intention to solve the problems besetting the country.

He claimed: "This is an expedient; it is not ideal, but it can produce results; and that depends on the good will with which all those appointed to form it arrive."

He added that he did not have the slightest doubt that the agency should have decision-making power in certain matters, given the representative status of those present in it.

He said: "The results must be observed within a very short time. We don't want to be anyone's ornament. We also want to show accomplishments to those who are criticizing before the council starts operating. We want to prove to them that we are going to succeed."

Juan Carlos Delano, head of the National Chamber of Commerce, commented that any initiative that gathers the country's various sectors together is useful.

He claimed that, in his view, the agency's advisory nature during its first phase was feasible; because the actual results of the council will have to be evaluated. "At best, this will become extremely polemical; it is difficult to reach agreement; I think that it is a good thing for it to be advisory at the outset."

The director of the National Tourism Service (SERNATUR), Margarita Ducci, underscored the inclusion of tourism in an entity of this kind.

She announced that it would be incumbent on her to form a commission with businessmen from the sector, to carry ahead some activities in the national tourist industry.

"I consider being here very important, because it will be possible for many projects to be carried out."

The copper industry leader, Humberto Barrera, said that he was greatly honored by his appointment, explaining that the agency would be a place for national consensus, from the standpoint of observing how certain positions are stated and eliminating the unemployment problem.

"If this is a good course or vehicle that will make it possible to implement profitable projects, then obviously I think it is a positive alternative, and I am ready to confront every one of the tasks assigned to me."

He remarked that the council members should consider their work a community task, and that only in this way will it be possible to complete it successfully.

The head of the Manufacturing Development Association, Ernesto Ayala, expressed a similar view, commenting that, after all, the results of the action taken by the Social-Economic Council will depend directly on the members' interest. He said: "If it is well managed, it could be a very important expedient for the solution of the country's difficulties."

The executive director of the National Forest Corporation (CONAF), engineer Ivan Castro Poblete, remarked: "Because of the features of those gathered here, I observe major progress and a task marked by great responsibility for the individuals, in analyzing the various issues in the social and economic areas that the president of the republic has requested to be analyzed. I note that all the country's production areas have been covered."

In addition to commenting that his presence on the council is an acknowledgment of the forest sector's potential, he responded to the criticism made of the council's formation by saying: "It would be a good think for us to finally give the government a chance to act, and not to start criticizing those measures aimed at improving and developing the country."

The representative of the Talca grape growers and wine makers, Guillermo Donoso Vergara, said: "I consider any agency formed to give expression to the citizens' feelings very important. I would have preferred, instead of having its members appointed, that they were elected by the rank and file. It seems to me that, during the first phase, the government had to resort to his system, seeking authentic representatives from each location."

He noted that his main concern was that the country return to normality in every sense. "To its institutional normality, arriving at a complete democratic regime as soon as possible; and to its economic normality, reactivating the industries." He expressed approval for the action taken by Ministers Jarpa, Collados, Escobar Cerda and Galvez.

Ricardo Westermayer, head of the Valdivia Agricultural Association and vice-president of the Consortium of Agricultural Associations of Southern Chile, declared: "Since this council was announced, it seemed to me to be a major step towards the country's democratization. We think that the way in which we have been appointed is the only fitting one at present, since there are no elections; but in any event we must accomplish, and serve as a guarantee for the entire country, and for all Chileans."

He repeated that his main concern was to advance with the process of the country's democratization.

Angel Fantuzzi, head of the Association of Metallurgical Manufacturers (ASIMET), stressed the fact that they "are all individuals representing a sector of the

country's economy, who can accomplish something important." He said that he noticed the absence of some union leaders, such as Federico Mujica, remarking: "I don't know whether or not they were invited. I have the best intentions of always cooperating with constructive criticism."

The academic representative, Gustavo Cuevas Farren, commented: "It seems to me to be a very positive action. It could become established as a very important forum for arriving at opinions and, possibly, serving the interests of the country's most representative sectors in the economic and social area. It could be a backer and a very valuable aid to the executive body, as has been planned. But I think that it could also constitute support and guidance for the legislative body; because many of the issues that may possibly be discussed should later become the subject of bills.

"I imagine that the council will operate with commissions, and it is in them that the most productive work should take place, and proposals for the executive body might also possible emerge from them"

The chairman of the Exporters Association, Antonio del Curio, for his part, expressed agreement with the creation of the Social-Economic Commission, stating that this entity would promote the analysis of topics of interest, in conjunction with the sectors involved; something that he described as "highly positive."

The head of the National Association of Mining (SONAMI), Manuel Feliu, also stressed that the essential purpose of the council is to foster the analysis of possible solutions for the various national problems.

Upon being asked about the topics that he would bring up within the agency, he emphasized that the purpose of creating an entity such as the council is not to discuss merely temporary problems, but rather to make a detailed analysis of the issues basic to the country.

Jorge Castex Cruz, vice-chairman of the National Transportation Federation of Chile, observed: "I think that this Social-Economic Council is both helpful and important, mainly because the different branches are represented, both the management side and that of the worker. This is the first time that I have joined a council of this kind. I have great optimism, and I hope to contribute a grain of sand for my country's development."

Manuel Valdes, head of the National Agricultural Association, said: "The forestry-agriculture-livestock sector is one of the mainstays of development, which appears to have the greatest opportunities to contribute fundamental elements to solve immediate and long term problems. In the immediate category, this is reflected in the need to provide more employment and to improve the quality and quantity of food available to the country, to help pay the foreign debt and to replace imports. Over the long term, I think that there is a major task for promoting rural development."

2909

CSO: 3348/435

## CHRISTIAN DEMOCRATS PROPOSE REVOCATION OF MINING CONCESSIONS

Santiago EL MERCURIO in Spanish 28 May 84 p C 4

[Text] "The Christian Democratic Party expects the United States producers' ambition to be rejected, but it reiterates the patriotic necessity for Chile to announce its intention to repeal the Mining Concessions Law."

The political group made this assertion in a public statement condemning the "severe restrictions" sought on imports of Chilean copper which, it notes, "threaten to cut further still the price of the metal on other markets, worsening the Chilean crisis."

The document declares: "It is easy to foresee the consequences that the country will have to withstand in the future, when the full effects of the implementation of Mining Law No 19,097, inspired by the same purposes and goals of the Chicago School's detrimental antinational policy, occur."

It states: "It is an ill-boding coincidence that, during the 5 months that the law has been in effect, there has been a reduction of from 73 to 66 cents on the dollar in the average quotation for a pound of copper, as well as the defensive reaction from the American companies producing the metal, which call for limiting imports of Chilean copper to 121,000 tons per year, instead of the 290,000 tons imported in 1983."

## Further Damage

It stresses: "If this senseless law remains in effect and is not substantially amended, we shall have to suffer further damage stemming from a policy that proposes to 'extract and export the largest amount of copper in the shortest possible time,' for the purpose of utilizing Chile's comparative advantages 'so as to force inefficient producers to close down.'"

It emphasizes: "Our party, the Committee for Defense of Copper and other parties and professional, trade union and student organizations have repeatedly charged the unfeasibility of turning over the decisions on copper production and marketing to 'the mechanism of the market,' and of opting for the 'state's subsidiary status,' which means turning over to the multinationals the decisions



which make up 'the Chilean policy on copper,' under the aegis of a law 'of constitutional rank' and 'protected from all risks.'"

It adds: "The Christian Democratic Party expects the ambition of the United States producers to be rejected; but it reiterates the patriotic necessity for Chile to announce its intention to repeal the Mining Concessions Law and, in order to lend credibility to that announcement, to invite the mining ministers of all the CIPEC [Intergovernmental Council of Copper Exporting Countries] nations to a meeting in Santiago, for the purpose of studying a coordinated action in defense of the price of the metal immediately, and to explore the possibility of making the legislation uniform for the production and marketing, without waiving sovereignty; considering the fact that these countries, combined, represent over two thirds of the copper marketed in the West."

2909

CSO: 3348/435

## BRIEFS

NEW AMBASSADOR TO ISRAEL--New Costa Rican Ambassador to Israel Eduardo Jenkins, who replaced Karen Olsen, has presented his credentials to the Israeli Government. [Summary] [PA020425 San Jose LE REPUBLICA in Spanish 17 May 84 p 3]

CREDIT FROM SPAIN--The Spanish Council of Ministers today approved a credit line for Costa Rica of more than \$1 million a year. The loan will be payable in 30 years, with an annual interest rate of 2 percent, payable yearly. The credit will be used to purchase Spanish equipment and services. [Text] [PA251933 San Jose Radio Impacto in Spanish 1830 GMT 24 May 84]

TRADE BALANCE DATA --As of 4 May, Costa Rica enjoyed a surplus in its commercial balance with Central American countries which owe Costa Rica the following amounts: Nicaragua, \$161 million; Honduras, \$12.9 million; El Salvador, \$15.2 million; and Guatemala, \$49.9 million. [Summary] [PA261453 San Jose LA PRENSA LIBRE in Spanish 12 May 84 p 2]

CSO: 3248/664

## LIFE IN GUERRILLA-CONTROLLED GUAZAPA ZONE DESCRIBED

Havana GRANMA WEEKLY REVIEW in English 22 Apr 84 p 9

[Article by Eileen Haley: "Guazapa: 'The Dart in the Enemy's Heart'"]

[Text]



THIRTY KILOMETERS away from San Salvador there is a tiny area (33 square kms), controlled by the Farabundo Martí National Liberation Front (FMLN). They do not go so far as to call it a liberated zone; but, on the other hand, they consider the term "battle front" imprecise, because the power exercised by the revolutionary forces in the area is not only military, but political as well. "Zona de control" (control zone) is the phrase employed; and although the FMLN has other "zonas de control" in El Salvador, none other is so close to the capital as this one.

Guazapa. The dart in the enemy's heart, they call it.

Seen from a distance, Guazapa is a mountain shaped like a reclining woman; an indigenous maja, someone described it as. Lake Suchitlán is to the east; to its west, the Northern Trunk Road running up to Chalatenango. On one of its peaks, right in the heart of the FMLN territory, is the army post of El Roblar.

Soldiers and supplies are brought in and out of it by helicopter.

Surrounding it are the caves and cliffs, the woods and fields, hamlets and streams, and above all, the guerrillas and insurgent population of Guazapa.

## THE PEOPLE'S POWER

Since 1981, there have been no government men on Guazapa. No mayors, no policemen, no tax-collectors, magistrates.

All through the 1970s, Guazapa was a region of agitation and isolated guerrilla activity. In August 1980, Fabián Ventura, who was something like the feudal lord of the area — he regarded the local women and the peasants' belongings as his for the taking — was killed by the guerrillas after he had had 15 of the local peasants and their priest massacred. The gov-

ernment officials — who worked for Ventura's interests and under his patronage — fled the area. The popularity of the guerrilla forces swelled enormously.

In January 1981, the recently-formed FMLN launched a big military offensive in El Salvador. It did not have the effect the FMLN had initially hoped for, but it did result in the establishment of five control zones: one in Chalatenango, others in San Vicente and Cuscatlán, another in the northeastern region of the country (Morazán and La Unión) and the fifth in the south-east (San Miguel and Usulután). The core of the Cuscatlán zone was, and still is, Guazapa.

When the zone was first formed, both FMLN forces and civilian population were under the same authorities: the political-military High Command of the FMLN forces. With time, however, this power was bifurcated to a certain extent, and now the civilian population has its own organizational and juridical structures.

Every three families make up a people's committee, which deals with problems, organizes production and even administers justice. (Jails have been abolished on Guazapa. Revolutionary justice tries to reform wrongdoers through work.) The head of the people's committee is a member of one of the three families composing it, chosen for his (or sometimes her) capacity and dedication.

Production teams consisting of guerrillas and civilians (often enough the guerrilla's own family, anyway) work together to produce food, part of which is earmarked for the "People's Army" (as they have begun to refer to the guerrilla forces) and the rest for the civilian population. The staples of the diet are beans and maize, which is eaten mainly in the form of maize-cakes called tortillas.

Sugarcane, yucca and vegetables are also grown; and coffee — the main cash crop of the highland areas in the time of Fabián Ventura

— still produces its berries and is harvested. The milk that is produced on Guazapa goes to the privileged members of its community: war-wounded and children.

Defense is in the hands not only of the FMLN forces but also of people's militias. The militias in particular are responsible for the vast and imaginative array of homemade weapons employed against the most sophisticated war technology ever known: spears, arrows, bombs contained in homemade clay pots, explosives extracted from Guazapa plants.

When the government officials left the region, the schoolteachers and the health services — such as they were — went too. The FMLN and the popular organizations have replaced them as best they can. Seventeen primary schools are now in operation. People's clinics and two hospitals (one military and the other civilian) have been set up with the most rudimentary equipment and scarce resources, but using to the utmost local folk knowledge of herbal medicine.

There are workshops that perform tasks for the FMLN forces: boot-making, tailoring, repair of guns and radios. Alcohol is also produced (from sugarcane); its use is strictly limited: the entire production goes to the hospitals and clinics. Another sugarcane product, panela (a brown sugar loaf used for sweetening) is also made on Guazapa; its distribution is in the hands of the Women's Association, as is the distribution of such articles as soap, for example, or cigarettes, that have to be "imported" from beyond the frontiers of this tiny state within a state.

### THE CIVILIANS STAY

In the first two and a half years of its existence, there were 13 government attacks against the control zone of Guazapa. Air bombings, artillery, white phosphorus and as yet unidentified toxic gases that cause nausea, vomiting and skin allergies. Systematic burning of fields, destruction of crops and houses, people and livestock. Scorched Earth, as in Vietnam.

Genocide. Ecocide. Call it what you will. The government is trying to pluck this troublesome little thorn of Guazapa out of its flesh. This year there were so many attacks that it has been practically one continuous assault.

All in vain. The people have enlarged the natural underground caves of Guazapa; they have built trenches and the bombing refuges they call "tatús." But mostly, when the army comes, the people go. They bury their stores of maize and beans while the guerrillas are holding off the army attack, and then they flee. They hide in caves, in ravines; they pass along secret trails to other hamlets, carrying their old, their young, their sick. They know what fate awaits them if they are discovered or if they do not get away in time: they will be massacred. (The women will all be raped first.)

The army has sent its crack American-trained troops into Guazapa. But, although they can

penetrate it, they cannot remain there permanently; casualties inflicted by the guerrillas would be too great. So the soldiers merely take their bellyful of destruction and depart. When they go, the people come back and build everything, plant everything, again.

Why do they stay? Why don't they head for the relative safety of San Salvador, or join the hundreds of thousands of refugees scattered throughout neighboring countries?

"They are convinced that things cannot go on as they were before. They are convinced that there must be a radical change."

Certainly the people have a growing revolutionary consciousness — one which the FMLN encourages and nurtures through study groups, newspapers, and programs broadcast on Radio Guazapa, which operates (intermittently) with

"The guerrilla army has often sacrificed its mobility to protect the civilian population," writes Pedro Guerra, one of the Guazapa commanders. "Poor military analysts of other countries, who think: what are these Guazapa guerrillas doing, taking even the dogs and the chickens with them? It's true: the people hide even their cows, and the guerrilla army retreats with the whole family and pulling the mules when genocide operations are on. This is the reality of Guazapa, beautiful and poignant, heroic and tragic: the enemy army has often detected us by the babies' crying."

But this is a risk they assume willingly, for: "We have understood that without the people we are nothing. They are our placenta and our womb."

### FACES FROM GUAZAPA

"What do you eat in Guazapa?"

"One day, beans and tortillas."

"And the next day?"

"Beans and tortillas."

"And the next?"

"Beans and tortillas."

"And the next?"

"Beans and tortillas."

"And the next?"

"Somebody goes hunting and captures an armadillo. So we have armadillo meat, beans and tortillas."

"And the next day?"

"Beans and tortillas."

"And the next?"

"Beans and tortillas."

"And the next?"

"Someone goes fishing... someone goes hunting... someone goes shooting and bags a bird...."

Hunting and gathering provide important elements in the Guazapa diet. All El Salvador is particularly rich in bird life; this has to do with its location in the Central American isthmus, which creates a "funnel" effect for birds migrating north and south. It has a rich and varied animal life as well, as part of the slender land-bridge that unites North and South

America and shares both continents' fauna. Fruit from the trees; animals, birds, iguanas and their eggs from the woods; fish and snails from the streams: the people of Guazapa use such resources to enrich the nutritional value, variety, and flavor of their diet.

And the importance of the wilderness does not stop here. The forests, for example, provide wood for houses, carts and furniture; wild plants are used to cure a wide variety of ailments in folk medicine practices based on intimate knowledge of, and love for, the natural resources of the region. In short, the wilderness of Guazapa is an integral part of its people's life.

Now the government attacks — particularly white phosphorus bombs, which burn and therefore have a defoliant action — are destroying the natural vegetation of Guazapa. Bald hilltops have appeared. The effect of such defoliation is predictable: apart from the loss of vegetation, it means that fauna loses its habitat, erosion starts, and the water table drops.

Once again, this damage is not accidental: like the massacres and the destruction of crops and houses, it is part of the attempt to drain the "water" from around the "fish," to deprive the guerrillas and their support population of their refuge and the source of an important part of their food and medicine.

The FMLN and the popular organizations take what measures they can to counteract this ecocide. Tree felling in the zone has been reg-

ulated; closed seasons have been established, with the result that — so the FMLN claims — the populations of at least two threatened species of the area — the white-tailed deer and the garrobo, a rare type of iguana — are actually on the increase. A campaign has been started to encourage people to eat more fish — abundant in nearby lake Suchitlán — partly to improve the diet, and partly to take pressure off other wild species and domestic livestock. But these are small measures, compared with the damage inflicted; the threat of ecological destruction will last as long as the war goes on.

There is history in Guazapa. A stony hillside where, according to local tradition, an Indian chieftain called Azacualpa fought the invading Spaniards.

Pedro de Alvarado, conquistador of the Central American region, was repulsed the first time he tried to conquer what is now El Salvador. He wrote back to Hernán Cortés making special mention of the resistance he encountered in Cuscatlán:

"No matter how many expeditions into the mountains I made, or how many messengers I sent, I could not draw them out: for the denseness of the woods and the difficulties of the sierras and ravines and other great strengths they had."

Enough said.

*Taken from the Salvadoran weekly Guazapa*

## BRIEFS

SAN MIGUEL POWER PLANT--San Miguel, 24 May--The electrical power plant installed by CEL [Lempa River Hydroelectric Executive Commission] in El Jalacatal, in this jurisdiction, with an energy producing capacity of 22,100 kilowatts, will be inaugurated at 9:00 tomorrow. The inauguration will be done by President Magana, accompanied by civilian authorities, and military and church delegations. CEL officials have reported that after the inauguration, the plant will be fuel started and will begin to operate for a test period, generating electricity, for which there will be a power outage in the distribution network coming from the "15 of September" power station in San Lorenzo. It was reported that the San Miguel plant will come into service only in emergency cases when there are power outages in the eastern zone, and it will supply electricity to Usulután, San Miguel, Morazan and La Unión through a very special and complicated system of intercommunication. [Excerpt] [San Salvador EL MUNDO in Spanish 24 May 84 p 3]

CSO: 3248/677

MEJIA REPORTS ON CHIXOY PROJECT DAMAGES

Guatemala City LA RAZON in Spanish 11 May 84 p 7

[Text] Report by the Chief of State, Maj Gen Oscar Humberto Mejia Victores, to the People of Guatemala on the Chixoy Project

My fellow Guatemalans:

My government considers it appropriate and necessary to report to the people of Guatemala on all developments that have a direct or indirect bearing on all spheres of national activity.

On this occasion I will be presenting a factual report on the damage caused to the tunnel at the Chixoy hydroelectric project. The reason that an official statement was not issued previously was that we were waiting for sufficient background information before reporting on the steps that have been taken and the actions that are under way to resolve the problem. This is a policy of my government; that is to say, it does not merely point out problems, it indicates the proper solutions as well.

Although I could begin by describing the history of the country's electric power sector from its beginning in 1885 and how electrification has expanded in Guatemala, I would like to limit my report this time to the implications that the most recent hydroelectric projects have for national economic development. We realize that the problem is partly caused by the lack of proper planning, which would have enabled the country to avoid having its electric power generation depend so heavily on thermoelectric plants, as the price of a kilowatt-hour has risen from 4 to 14 cents over the past decade.

Before specifically discussing the controversial Chixoy project, I think I should mention the Aguacapa and Chulac projects.

The Aguacapa Hydroelectric Project carried an estimated price tag of 139 million quetzales. Damage to the tunnel, however, meant an additional outlay of 43 million quetzales, pushing the total end cost to 182 million. I should emphasize that because of the repairs to the tunnel, thermal generation had to be resorted to, which meant 45 million quetzales in fuel costs.

Its installed capacity is 90 megawatts, and its actual output is 60 megawatts, because of the damage that a second flood in September 1982 caused to the powerhouse. We could also say that Aguacapa's problems were caused by project design errors.

The Chulac Hydroelectric Project was begun before it had been worked out completely and before the necessary financing, some 1.2 billion quetzales, was available.

Even though the project had not been thoroughly mapped out, work began on the diversion tunnel, camps, access roads and other related projects, the investment in which exceeded 79 million quetzales.

The decision to build Chulac was, in fact, hasty, because aside from being unjustifiable, it was started with scant funding and before enough studies to guarantee the investment were conducted, and machinery and equipment were purchased before work began. As of 15 March 1984, 80 million had been invested in the project, 9 million in administrative expenditures and 71 million in studies and construction.

The following is the breakdown of investment:

Administrative outlays	9 million
Payments to contractors	56 million
Payments pending to contractors	15 million

The administrative expenses from 1980 to early 1984 totaled 9 million.

In view of the magnitude of the investment and the inconsistency of the studies, aside from the fact that neither the domestic nor the foreign financing was in hand, the project was suspended in 1982. What is even worse is that the work done so far might not be of use in the event that the project is recommenced.

As we can see, these two major projects (Aguacapa and Chulac) have caused serious problems for the country's finances, problems that the current government had nothing to do with, just as it had no part in the procurement of the equipment for the Escuintla thermal power plant.

I will now take up the issue that no doubt is of interest to us all, that is to say, the Chixoy Hydroelectric Plant.

Studies on the project were begun in mid-1972 and were partially concluded in 1975. I say partially because they were only 80 percent completed, with a budget of 187 million. The plan was for a generating capacity of 300 megawatts.

The following major mistakes were made in the contracts for the Breda equipment and for construction work on the Chixoy and Aguacapa projects, even though the contracts were subject to provisions of the law.



## Price Fluctuations

The price escalation formulas were accepted practically without a ceiling, which prompted an inordinate rise in the costs of the projects, thus harming the country's interests. This shortcoming was partially corrected when the Congress of the Republic issued Decree No 35-80, which stipulated that the general formulas for price increases must be approved in advance by the General Secretariat of the National Council of Economic Planning.

## Withholding on Completed Work

With regard to the Chixoy Hydroelectric Project, I should mention that in connection with the dam, intake tunnel, electromechanical equipment, electrical equipment and hydromechanical equipment, there was no clause calling for withholding from contractors for completed work. This was indispensable for covering balances in favor of the State or third parties at the time of the final settlement. This omission also harms the State's interests.

## Interest

We should also keep in mind that the interest charges for delayed payments to contractors are still adversely affecting the government's finances. Moreover, this surcharge is not provided for in the Law of Purchases and Contracting.

The inordinate rise in the cost of the Chixoy Project was the cause of the financing shortfall, prompting delays in payments to contractors and triggering interest on arrears that obviously boosted its cost. Interest on arrears is currently estimated at 26 million quetzales, equivalent to 3 percent of the project's total price tag.

## Performance Bonds

The following information will shed more light on one of the major problems facing my government and worrying our people.

Even though the performance and work quality bonds were established in accordance with the law at the time, their amounts declined as the completed work was accepted in sections. Thus, when the time came to receive the completed work, the amounts were minimal compared to the potential claims for repairs, at Chixoy for example.

In contrast to the above procedure, no demand was made for an increase in the amount of the bond because of increases in the number of construction projects originally contracted for. This is commonly done in hydroelectric projects as large as Chixoy.

## Special Clarification

In light of my government's historic responsibility, I want to indicate expressly that the aforementioned problems and shortcomings, as well as others that would take too long to list, stem from the actions of previous administrations. The initial contracts for the construction of the Chixoy hydroelectric plant were signed by the president of INDE [National Institute of Electrification], Ricardo Barrios Pena, who signed a total of eight contracts for the main batches of equipment for the plant. All of this took place during the administration of Gen Kjell Eugenio Laugerud Garcia.

The first main contracts for the Aguacapa hydroelectric plant were also signed by the INDE president, Barrios Pena, during the administration of Gen Kjell Eugenio Laugerud Garcia.

The contracts for the Chulac hydroelectric plant were signed by the chairman of the Board of Directors of the Hidrochulac executive unit, Hugo Emilio Marroquin Escobar, during the administration of Gen Fernando Romeo Lucas Garcia. There were 14 contracts: for roads, construction of sheds, consulting work, diversion tunnels, rock assays, seismic network, equipment leasing, communications and camps. In all there were 47 contracts.

It should be clear, then, that the current government has inherited these major problems in the electric power sector and that in defense of the nation's interests it is putting forth its best efforts to resolve them from the technical, financial, legal and administrative standpoints.

Construction work began on the Chixoy project in 1978, and it was supposed to be completed in 1981. Three years later, it is still not finished, in spite of the plans to speed up the work so that it could have been inaugurated by then President Gen Fernando Romeo Lucas Garcia, to which end, contrary to custom, bonuses were offered and paid out, boosting costs by another 24 million, but to no avail.

The original budget of 187 million gradually climbed to 799 million at present. According to technical reports, the increase can be broken down as follows: cost overruns, 190 million; interest, Guatemalan Social Security Institute (IGSS), INTECAP [Technical Institute for Training and Productivity], shipping fees, technical and financial claims, 105 million; exchange rate differential, 33 million, and the increased number of projects, 283 million.

According to technical reports, there were construction problems with the intake at the Chixoy project, mainly because of its scope: 25.9 kilometers long, and 4.9 meters in diameter. Also, the work was being done in a mountainous region with an inherently troublesome geology, although the consultants initially gave assurances that they had taken these conditions into account in these studies and that the project

would be appropriately reinforced so that it could withstand any other work on it. When the first test of the intake tunnel was conducted in January 1983, damage occurred at a point called Agua Blanca Norte, and it was quickly repaired as recommended by the Lami construction firm that had been hired for that purpose.

It was suggested that the Chixoy project be inaugurated on 15 November 1983, but the timely detection of irregularities in the initial operation of various project components caused me to order the inauguration suspended.

Another defect in the tunnel was detected in December 1983 at almost the same spot as the previous one. It had to be emptied out to ascertain the extent of the damage, and it was found that the tunnel wall had given way, allowing a large amount of water to leak into the mountain, which caused a large cavern to form.

#### Current Status of the Chixoy Project

Both domestic and foreign experts have conducted studies to determine the extent of the damage to the tunnel and to look into other problems, and they have made pertinent recommendations concerning repairs. These studies have been under way since December 1983.

These studies have found that 375 meters along the Agua Blanca section have to be repaired and that preventive repairs should be done on another 1,000 meters where there are potential trouble spots. The repairs will consist of reinforcing 1,375 meters of the tunnel and of filling in the caverns formed inside the mountain around the tunnel.

The estimated cost of repairing the tunnel, including the reinforcement of the 1,375 meters, the filling of the caverns, engineering, design and related expenses, totals about 15 million quetzales, which represents 5.5 percent of the cost of the tunnel and 1.9 percent of the total cost of the project. Ten million will be paid in foreign currency and 5 million in domestic currency.

The balance of a previous loan from the Inter-American Development Bank will finance the foreign exchange outlay, to be complemented by a loan from suppliers. The payment in quetzales will be covered by funds from the INDE budget from cutbacks in other, nonpriority projects.

Estimates are that it will take from 10 to 12 months to repair the damage, starting this month; in other words, the hope is that the hydroelectric plant will go on stream between March and May of 1985.

To insure that the Chixoy plant operates properly, additional technical studies will be conducted at the same time as the repairs are being done on the tunnel, to detect any damage to the project's other components and to take appropriate action before the plant starts up.

Actions That the Government Has Taken to Repair the Damage at the Chixoy Hydroelectric Plant As Soon as Possible and, Concurrently, to Make the National Power Grid More Reliable

Taking into account the high cost to the government of purchasing fuel to generate power at thermal plants, the government has taken the following steps:

- The preparatory work for the repair of the tunnel was undertaken this past February and March;
- The necessary orders have been issued to repair the tunnel immediately, and work began this April;
- The necessary complementary technical studies are being conducted to bring the hydroelectric power plant on line as soon as possible and at the least risk;
- The paperwork and negotiations have been speeded up so that construction can begin on the electricity hookup with El Salvador as soon as possible;
- Legal studies are under way to determine the legal liability of consultants, contractors and official who were involved in the Chixoy project.

Other Steps Under Study for Immediate Action

The government is taking the following steps to guarantee electric power supplies while the Chixoy plant is down:

- Streamline the procurement of spare parts and accessories to repair, maintain and overhaul the existing thermal and hydroelectric power plants so that they remain in optimum operating order;
- Contract out the work on the Guatemala-El Salvador electric power hookup as quickly as possible, to which end financing is already available from the Central American Bank of Economic Integration. The hookup would provide about 30 additional megawatts;
- If the aforementioned technical and legal studies find that the consultants and contractors are at fault, the government will claim its rights under the bonds and insurance policies, in accordance with the clauses of the contracts, as well as the corresponding sums of money, which will cover the cost of repairs to the project.

Existing Electricity Rates

The price of a kilowatt-hour at present has already been commented on. In this regard, I think I should point out, however, that the investments in hydroelectric plants of the size of Chixoy, Aguacapa and other smaller ones are so enormous at present that they can be

financed only through external loans complemented by allocations from the national budget and the funds that INDE takes in from the rates it charges.

#### Measures That INDE Has Taken to Reorganize Itself

I regard it as appropriate to report as well that the management of INDE, having observed administrative problems that hamper the institute's proper functioning, has appointed a commission to assess administrative procedures and to propose ways of making them more efficient.

My fellow citizens:

By presenting this detailed outline of the problem and the solutions undertaken, I think that I have kept my promise to the Guatemalan people that I would render an accurate report. And although the circumstances entail a temporary nationwide sacrifice, I believe that in spite of everything the Chixoy project is a solid groundwork for national development in the near future.

I invite all those who would like to know more about the matter at hand to address themselves to the INDE authorities, who are in a position to furnish any additional needed information.

Thank you very much

Guatemala  
9 May 1984

8743  
CSO: 3248/660

## PSCH PAPER CALLS FOR PRESS, POLICE, LEGAL REFORMS

Port-au-Prince FRATERNITE in French 26 Apr-10 May 84 pp 15-16

[Article: "Implications of Mr J.-C. Duvalier's Letters"]

[Text] There will be no end to the comments on the letters President Duvalier wrote in March to the Port-au-Prince chief of police, to the chief of staff of the armed forces, to the general supervisor of the militia, to the secretary of state for justice and to the secretary of state for interior.

Much could still be written about it, if only to denounce the anomaly of having the government write to the government to remind it of the need to observe the elementary rules of any democratic constitution. However, we refuse to share the skepticism that seems to be the prevailing note in the public's reaction to the instructions contained in these letters.

On the other hand, we would like to point out to the government the normal implications that will follow from these provisions if they are not to be just pious wishes or just another hoax.

A. As far as freedom of the press is concerned, i.e. the freedom of opinion and right to free speech contained both in the constitution and in the Interamerican Convention on Human Rights which was ratified by the Haitian State, we wish to point out that it will remain theoretical and ineffective as long as the press does not have access to the sources of information. This means that, to inform the national community, the journalist or editor must have the right to obtain from public services and state organizations the information to which the community is entitled.

The Haiti Electric Power Company subjects the community to periodic rationing; CAMEP [expansion unknown] provides an incredible water (?) supply; Teleco cannot cope with all the demands for service. These are facts which affect the national community.

The community, in whose name these organizations are supposed to manage utilities for which taxes are paid regularly, must be informed of the problems that prevent these organizations from fulfilling their obligations.

Public services must give up their present attitude, that they are to be considered as government property. Officials of state organizations should never forget that the Haitian state is essentially the human community distributed over the 27,500 km<sup>2</sup> of the western part of the Island of Haiti. And that, being in the service of the state, under the Constitution, they have an obligation to work for the common good, as they derive their legitimacy from the community. Therefore, free access to information sources is a prerequisite to the work of the press. To express freely his opinion on all the aspects of the country's life, the journalist must have all the information necessary to form an opinion.

We assume that these new provisions of the government will put an end to the absurd and ineffective censorship of international magazines, newspapers and periodicals, from which all articles devoted to Haiti are usually removed unless they praise the government. Either these articles are mistaken, and the Haitian reader will conclude that the foreign journalist is in bad faith; or the criticisms and accusations are well-founded, and the Haitian public must then be informed of them. For the Haitian tragedy is that the people has always been cut off from all information.

We also wish to remind that constitutional provisions concerning freedom of the press condemn all preliminary censorship. Therefore, any obstacle to the free circulation of information, to the free expression of opinions, is anticonstitutional and contrary to the spirit of the letter written in March by the chief of the executive to Secretary of State Lafontant.

B. Police officials now know that all brutality, all torture, all violations of human dignity, all physical constraint are prohibited under the Constitution. How relieved the public would be if the instructions issued by the executive could convince the police forces! Doctrine, substantive law, jurisprudence, moral, religion: all condemn torture. And when torture is used to draw a confession during an investigation, no one can ever rely on what has been obtained under such conditions. As Cardinal Gouyon--as quoted by Father Albert Dumont--so pertinently said: "An individual subjected to torture does not respond like a free man, but like a hunted animal."

Unfortunately, until now torture and ill-treatments have been the traditional means of police investigation in Haiti. They would beat people for the sake of beating. In political cases, it was done either because they did not share the prisoner's opinion, or because they wanted to demonstrate their loyalty to the government although, deep down, they shared the political and ideological views of those they were torturing; and if they had had their courage and patriotism, they might have formulated objections far more radical than those for which the prisoners had been arrested.

We do hope that all this is over and that Haiti will never ever again be one of the few countries where torture is still practiced.

Police investigations, therefore, will now assume a scientific approach. Criminology is a science; so is investigation. They have their own methods. This means that there is now an urgent need to train true investigators, true police inspectors. Police stations no longer need henchmen, but well-

trained inspectors. Men able to lead an investigation; to investigate a crime painstakingly, starting with few or no clues. This means that they must be adequately trained; and also that they must be paid salaries in keeping with the training and social usefulness of investigators.

Let us destroy solemnly all the torture instruments of the Dessalines Barracks, of the Criminal Investigation Department. This is what we wish, out of patriotism.

But, after that, we must urgently organize intensive investigation courses; reorientation courses for some, training courses for most. Among the men enlisted in the various corps some have the minimum academic training required to follow intensive courses that will give them a career in a new discipline made necessary by the new conditions prevailing in the country.

C. The first of Mr Duvalier's letters was addressed to the secretary of state for justice, Jean Vandal, a newcomer in the cabinet. Full of enthusiasm, the brilliant lawyer in turn hastened to write to his subordinates to explicit the instructions received from the chief of the executive. What is at stake is to restore the prestige and credit of the Haitian justice. That is very good!

What Haitian would not applaud a provision aimed at doing justice where justice is due, at condemning arbitrary arrest and violations of domiciles, at guaranteeing the habeas corpus? But this implies true economic independence in the magistrate--be he judge or prosecutor. We must be realistic. A judge at the Supreme Court of Appeal of the Republic recently confided that he cannot make it with the \$500 he earns, plus \$100 in expenses, considering that he could not find a house to rent for less than \$350. A brilliant lawyer, he is thinking of resigning and opening a law office. That is logical; that is human!

As long as a judge at the civil court earns \$250, a justice of the peace in the capital 800 gourdes, the magistrates' prestige mentioned in the letter of the secretary of state for justice can be only illusory and demagogic. If the judge to which a specific case has been referred, if the assistant public prosecutor who must make charges have the moral obligation not to accept any "gifts" from one of the parties, through his lawyer, we may wonder whether the family head hounded by bills he cannot pay will have any other choice but to accept what the magistrate would refuse for the sake of prestige and independence.

Also, if magistrates as a body are to have prestige, judges must be self-confident, lawyers relatively brilliant. Considering the starvation wages that are paid to those who administer justice, no young and qualified university graduate will want to become a magistrate. The profession of lawyer certainly offers better prospects. To convince yourself of that, just ask who are the owners of the cars parked around the law courts when they are in session. Unfortunately, how many judges are there in tow to a free-wheeling and benevolent lawyer!



We agree that justice should have prestige! We agree that magistrates should have prestige! We agree that judges should be independent! But to achieve this we must offer salaries that will give them prestige and ensure their independence. If we really want to upgrade the Haitian justice by attracting intellectually gifted and professionally trained young people, we must seriously reconsider the salaries and indemnities paid at all levels, from the court usher to the president of the Supreme Court of Appeal. With education, justice is one of the most disadvantaged sectors as far as the national budget is concerned. Just have a look at the salary scale for the various departments.

We shall offer no conclusion, hoping to have started a national debate on these questions of national importance.

9294

CSO: 3219/25

## SOCIAL CHRISTIAN PARTY TO EXPAND ACTIVITIES

Port-au-Prince FRATERNITE in French 26 Apr-10 May 84 p 18

[Communique from the Haitian Social Christian Party, signed by chairman Gregoire Eugene]

[Text] Considering how important it is for the future of Haiti to have political parties operating freely; considering our country's shameful and dangerous backwardness; considering also that the installation of a true democracy excluding the "single-party" system of right-wing and left-wing dictatorships reflects the sense of justice and innate freedom of all individuals; considering that patriotism cannot be compatible with any monopoly; and considering therefore that, through their political choices, all citizens must have an opportunity to take part in the national debate, to find a national solution to the country's crisis, that no propaganda could put in question; we wish to make it known that the Haitian Social Christian Party intends to launch a vast campaign of motivation and civic and political education.

2. Therefore, in preparation for the study meetings that will be held throughout the country on themes decided by the central bureau and recorded on cassettes, we wish to let it be known that we shall now accept registrations from active members, both in the capital and in the province, without any discrimination whatsoever.
3. We would like all, whether in the government or not, to be fully convinced that there can be no democracy without freedom of political choice; no freedom of political choice without the free operation of political parties. And, therefore, anyone making a contribution, no matter how small, to the establishment of political pluralism in Haiti will have deserved of our national history.
4. In the immediate future, we are contemplating the creation of regional and local offices. Members and sympathizers in provincial towns should get organized accordingly and contact the central bureau for better coordination.

Pending the creation and installation of the offices of the Haitian Social Christian Party, requests for information should be sent to the residence of the party president and founder: Ruelle Charles Jeanty 23 bis, Bas Peu-de-Chose, Port-au-Prince, Haiti. Telephone: 2-9888.

## CNOP GATHERING PREPARES FOR 12th PRI NATIONAL ASSEMBLY

## Small Merchants Present Demands

Mexico City UNOMASUNO in Spanish 4 May 84 p 4

[Article by Ubaldo Díaz]

[Text] The Institutional Revolutionary Party is the party in power; this is why it must avoid becoming a bureaucratic office which makes recommendations and this is why it must cast out the "institutional parallelism" that strikes at true political militancy, said Juan Maldonado Pereda, interior secretary of the CNOP [National Confederation of Popular Organizations] National Executive Committee.

During the national meeting of small merchants in the low-income sector, Maldonado Pereda said that, if we ignore the capacity and work of the real militants, we violate the principles and we stunt the faith and the confidence .. that are and must be the foundation stones of the PRI [Institutional Revolutionary Party].

He also noted that the fortress of the institutional revolutionary is and must continue to be the result of his political ability to listen, to speak out, to lead, and to defend the just demands of the people of Mexico in line with the ideological vigor of the Mexican revolution.

On the other hand, during his remarks on this occasion, which had been organized as the prelude of the 12th National Assembly of the PRI, Maldonado Pereda summarized some of the demands of the small merchants who are scattered all over the country; among these he singled out the request for the establishment of the National Federation of Retail Merchants. This sector, he said, also came out in favor of the creation of joint purchases, collection centers, low-income economy defense committees, and consumer cooperatives. He also called upon his party to give more support to the obtention of tax and administrative benefits from the sale of basic products and the permanent upgrading of the police. Maldonado Pereda also mentioned the need for removing those who obtained public positions with the support of the PRI and then forget their party," disregarding the necessities of and the promises made to the majority classes.

Later on, the CNOP representative said that the PRI is consistent with the line of changes that is drawing near. However, he remarked, more than changes in ideology or structure, the political organization requires them in its strategic and tactical fighting organization so that "we may continue firm at the head of the majorities constituting it. Our party has been able to preserve its strength due to public peace in Mexico for more than half a century."

#### Renters' Law Taken Up

Mexico City UNOMASUNO in Spanish 7 May 84 p 4

[Text] The deputies will not put up with any pressure from real estate capital in an effort to stop the discussion on the rental bill in the Chamber which will put an end to the boundless abuses of landlords, said Deputy Jose Parceró Lopez, secretary of low-cost developments of the PRI's CNOP.

The CNOP, he said, is determined to pass a rental law during the next congressional term; the idea is to see to it that leases will run for a period of at least 2 years, that the amount of increase in rents be determined as a function of the minimum wage, that a section be established in the office of the attorney general to protect the renter or that the authority of the Federal Consumer Protection Office be broadened, that low-cost condominiums be established so that families may be able to purchase the housing units they occupy, that financing lines be set up within the National Housing Program without the current red tape, and that the rental law be a matter of public regulation (although not federal since conditions differ in each subdivision of the federation).

Parceró Lopez admitted that the rental problem is serious because it affects many families; but he said that, during the prior congressional session, there was no discussion on that point because there were ten bills from different political parties and many proposals were obsolete; the problem is so complicated, he added, that it is necessary to tackle it with greater care, adapting ideas to the current situation; this will be done by a special committee of 13 deputies (five from the opposition and eight from the PRI) who will turn out a rental bill in August.

He also noted that the efforts made so far by the administration to solve the housing problem have been cut short in view of a housing shortage of 700,000 rental units in this city alone. The laws currently existing in the rental area, he said, include the rights of the tenant as well as the landlord; but what is needed is an arrangement that would restrict the

boundless increases in rents and that would protect the tenant against abuses.

### Denial by Secretary General

Mexico City UNOMASUNO in Spanish 8 May 84 p 4

[Article by Ubaldo Díaz]

[Text] PRI Secretary-General Francisco Luna Kan denied that his party has "commitments to those who are planning a revival of economic bossism and political patronage in rural communities"; in the meantime, the leader of the small landowners, Senator Javier Ahumada Padilla, came out against those who want to exploit the Institutional Revolutionary Party "to win special privileges and power, thus polarizing everybody in useless brawls."

Luna Kan spoke during the closing session of the preparatory activities of the small owners, affiliated with the CNOP, where he said that no nation that prizes its sovereignty must depend on any other, neither in terms of food, nor in terms of energy, because the danger is most serious.

The PRI leader therefore pointed out that this is where the challenge lies since food "in an increasingly shaken world can become a political weapon of interests alien to the nation" and in view of that the administration must carry out programs and actions so as not to depend on foreign countries, especially because Mexico will this year have to import a little more than 6 million tons of grain.

In the name of the PRI National Executive Committee he then repeated "the pledge broadly, with determination, and effectively to support the small landowners, to fight those who are planning a return to economic bossism." Speaking to some 100 listeners at the meeting and the leader of the CNOP, Deputy Enrique Fernandez Martinez, Luna Kan came out against landowners who operate big estates outside the law and very small land holdings which dilute the institutional efforts.

He also talked about the effort being made by national institutions that concentrate their efforts in the rural areas and he admitted that the revolution in spite of this continues to be indebted to real small property owners, to common-land users, and tenant farmers; this is why "we will fight to continue to make democracy and social justice viable in the rural areas."

During the same meeting, the leader of the small landowners called for higher guaranteed prices for farm products; the elimination of old ills

such as the middleman system, since renewal must be characterized by tackling the enemies of the system with greater vigor and effectiveness, enemies who still exist, "so long as the passions of tiny groups and individuals are not done away with."

He also denounced the "sellers of hope, the invaders of rights and lands devoted to production, and those who cause insecurity in land tenancy"; they have turned instability in the rural areas into big business, threatening production and betraying the country.

He said that the PRI National Assembly would be urged to grant security for land tenancy and to make sure that the peasant will have proper equipment, adequate fertilizer, and timely and sufficient loans to increase the output and raise the living standard.

He then said that the small landowners will demand the implementation of measures to defend the country's natural resources and protect the forests, and prevent inefficient operation, for which purpose he proposed establishing producer and sales cooperatives, as well as cooperatives of tenant farmers, common-land operators, and small landowners, and to take away the concessions of private individuals who considered the forest to be a resource for making a profit and not as a form of existence and employment.

Concerning the sale of agricultural and livestock products, he maintained that the agricultural reform will not get anywhere so long as excessive middleman activities continue. He also reported that the Federal Highway Police are forcing food carriers to pay high fees to the detriment of the public and asked that a committee be formed to study this problem and to eliminate corruption on the highways.

The leader of the small landowners in Nuevo Leon, Plutarco Elias Calles, repeated his sector's support for the new Federal Agrarian Reform Law which guarantees greater social justice in the rural areas, which boosts overall rural development, and which is designed to enable the peasant population to participate in a more democratic form.

These reforms, he said, are not the dreams of the past, nor do they represent a flag around which to rally for useless battles. These make up the response of the Mexicans to the need for being self-sufficient in food production.

#### Various Decisions Reached

Monterrey EL NORTE in Spanish 12 May 84 p A-1

[Text] Mexico, 11 May--CNOP leader Enrique Fernandez Martinez practically revealed today the disappearance of the National Revolutionary Women's

Association, commenting that the women "should remain within the political environment of their own respective sector."

In the presence of the PRI national leader Adolfo Lugo Verduzco, Fernandez Martinez also came out in favor of retaining the initials of the majority party, not forming a fourth sector, and bringing the democratic system of selecting candidates for popular elective office to its ultimate fruition.

At the national preparatory meeting of the popular sector for the 12th National Assembly of the PRI, that party announced the creation of a new people's organization that would consist of 5 million persons.

It was also announced that the governors of states and the chairmen of city councils "must assemble their work teams exclusively with PRI members"; the decision was also announced to subject bad party members to political trials.

On the other hand it was said that the PRI will legislate to pass a rental law, to promote the creation of the tenant protection office, to pass a federal law for non-wage workers, and to introduce amendments into Article 73 of the Constitution so as to legislate in the matter of cooperatives.

It was also said that legislation would be introduced to amend the [illegible word in original] code and the law on chambers of industry and commerce "so as to bring them uptodate."

The purpose of these reforms is to do away with articles forcing merchants and manufacturers to belong to the chambers which, in turn, force them to pay membership dues.

Looking at other topics of national interest, the popular sector asked for the party's intervention to do away with the concession of forests to private individuals, to support the new land regulations, to grant low-cost loans for the purchase of low-cost housing, and to continue the fight against corruption among the police so as to prevent extortion which only works to the detriment of the vast majority.

5058

CSO: 3248/643

## EPISCOPATE CALLS FOR KEEPING SOUTHERN BORDER OPEN

Mexico City EXCELSIOR in Spanish 11 May 84 pp 19-A, 34-A

[Article by S. Martinez G.]

[Text] The Mexican Episcopate today came out for keeping the Mexican border with Guatemala open to Central American refugees, currently estimated to number 200,000, and for continuing to lend them aid and support "even at the risk of provoking our neighbor or of importing a guerrilla war."

Speaking through Manuel Gomez Granados, the executive secretary of the Temporary Episcopal Commission for Refugees, the Mexican Catholic Church took its stand regarding the continued immigration of Central Americans into our country and asked that official aid to these refugees not be discontinued and that the borders not be closed to them.

He commented at a press conference on the allegation that Guatemalan soldiers made an incursion into Mexican territory to attack a camp of Guatemalan refugees. He clarified that this is not the first time that this has happened, voicing the view that there have been many more such raids than the two acknowledged by the Government Secretariat, although "there is no way to tell whether the guerrillas or army troops are doing it."

He agreed with the Government Secretariat's decision to transfer the 46,000 refugees in Chiapas to Campeche, because it would be best to get them away from the border, he said.

Gomez Granados acknowledged, however, that even if the immigrants now here are transferred, there would soon be new refugees seeking protection in Mexico.

Regarding the Mexican Government's position not to allow more refugees in, he pointed out that it is difficult to prevent the influx of immigrants because of how long and how poorly guarded the border is and because of the violence and repression that prevail in Guatemala.



He made it known that even if official aid is withdrawn for the refugees in camps or on their own, the Temporary Episcopal Commission for Refugees would continue to help these groups "regardless of where they are."

#### 50,000 Refugees in the Federal District

Concerning the number of Central American refugees in Mexico, Gomez Granados said that there were no accurate statistics; he estimated, however, that there were close to 200,000, with 46,000 in Chiapas, 50,000 in the Federal District and the rest in the states of Tabasco, Quintana Roo, Veracruz and Oaxaca mainly.

He clarified that the refugees are located primarily in the municipality of Ciudad Nezahualcoyotl, not in Mexico City proper; most of them are on their way to the northern border, where they hope to cross into the United States.

Proof of this, he explained, is that between 12 and 15 percent of the illegal aliens deported from the United States are Central Americans not previously registered in refugee camps.

He mentioned at the press conference that the Central American refugees have several options, such as heading for Canada and Australia, which will admit them and give them work after conducting investigations.

8743

CSO: 3248/643

## PSUM: SOCONUSCO SECESSION BEING PROMOTED BY BOURGEOIS GROUPS

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 12 Apr 84 pp 1, 4

[Article by Alfredo F Aguilar]

[Text] After expressing its complete disagreement with the disbanding and secession of the region of Soconusco from the rest of the state of Chiapas, the State Committee of the Unified Socialist Party of Mexico (PSUM) stated that it is in no way related to those who are currently promoting such action in Tapachula and the surrounding area.

It asserted that separatism and factionalism do not constitute any solution whatsoever to the problems affecting the country, which are expressed through the discontent of the population.

In a press release, PSUM leaders warned that the problems of Soconusco will not be resolved by turning the region into a federative entity. They said that if that were the solution, it would be more convenient to encourage the emergence of as many such entities as there are political and economic power groups in the country.

The problem, they said, is a conflict among the bourgeoisie, which means a possible confrontation between power groups fighting over the same territory.

The Soconusco region, like the entire country, is a victim of opposition to democracy, exploitation, injustice and repression. The solution to these problems absolutely does not lie in separation, but rather in the establishment of a socialist society.

At the same time the PSUM State Committee stated that it repudiates Alonso Rodriguez Gamboa and anyone else who encourages turning the region of Soconusco into a federative state in the name of the party.

In addition it reiterated its commitment to progress toward the democratization of Chiapas and the construction of a socialist society, because in Mexico and in Chiapas the centralization of political power hinders the exercise of democracy and invalidates the establishment of a federal system.

The committee then discussed the suffocation of the municipal governments and added that the independence of the free municipalities makes them dependent on the center. The PSUM is fighting for authentic municipal reform and has claimed that this will be accomplished when an OMC is in operation, the committee concluded.

12351

CSO: 3248/641

## BRIEFS

**CASTILLO URGES DEBT MORATORIUM**--Toluca, 17 May--Heberto Castillo, national leader of the Mexican Workers Party (PMT), claimed that it is imperative that the country declare a moratorium on the public debt and the non-payment of interest as the only way to safeguard our oil wealth, since the obligations involved in this debt "just for interest alone" absorb each day the foreign currency earned on the export of 1.25 million barrels of the hydrocarbon. In a lecture at the Autonomous University of the state of Mexico, he also stated that overall daily exports of Mexican petroleum totaled 1.63 million barrels this week, a dangerously high figure and a record. This reflects the irrational use of this non-renewable resource, he noted. He advocated the unification of debtor nations in order to neutralize any possible reprisals by creditor countries, and insisted that it is a mistake for the federal government to try to pay the debt with petroleum, since we will need it later, having no alternative sources of energy. [Text] [Mexico City UNOMASUNO in Spanish 18 May 84 p 4] 8926

**JEEP EXPORTS TO AUSTRALIA**--Mauricio de Maria y Campos, undersecretary of industrial development, said to an audience of distinguished guests and dignitaries: "It should be noted that as recently as 1981, 60 percent of the country's balance of trade deficit originated in the automotive sector. This year, in the first 2 months, we have a surplus of \$110 million. And according to plans that various firms have formulated, as attested by the case of Renault, we also hope to achieve a surplus of nearly \$500 million in the balance of trade, despite a higher level of imports due to the slight upturn in the national market." He also expressed satisfaction at the response by Renault-Jeep to the Decree for the Renationalization of the Automotive Industry to benefit the national economy. In a major ceremony held at the Industrial Plant of Vallejo, a sendoff was given to the first fleet of Jeep J-10 pick-up units, headed for Australia. As Christian Freynet, director general of the Renault organization, correctly pointed out, exporting is the path to the integral development of the automotive industry, thanks to the foreign currency earnings it brings in. He also stressed that in addition to the huge investments made in the Gomez Palacio Plant to manufacture 4-cylinder engines for export, which will begin at the end of this year, Renault is also modernizing its assembly plants, and is launching its program to export Jeeps. [Text] [Mexico City EXCELSIOR in Spanish 17 May 84 p 19-A] 8926

GUATEMALAN EXPLOSIVE-MAKERS DETAINED--Carlos Poon Poon, Francisco Eduardo Soto, Julio Poon Chen and Hector Augusto Puac Lopez, all Guatemalans, will be deported to their country after having been arrested with a large quantity of contraband intended for use in manufacturing explosives. They were captured along with Oscar Molina Diaz, a Mexican for whom they allegedly worked, manufacturing explosives known as 'triquets.' Mexican soldiers stationed in the area seized from the prisoners 50 kg of chlorate, 30 kg of sulfur flowers, 5 kg of antimony and 200 kg of newsprint. The arrest was made on 16 Apr and both the four Guatemalans and the Mexican were transferred to the state capital. There they were remanded to the agent of the Federal Public Ministry, who opened preliminary inquiry number 128-984. It was reported yesterday that the foreigners will be turned over to the Secretariat of the Interior for deportation, since they were in our country illegally. Oscar Molina Diaz, on the other hand, will be remanded to the district court for trial. It was reported here that the manufacturing of explosives by the individuals allegedly working for the Mexican, Molina Diaz, is a violation of our laws. That is why the army officers decided to arrest them and turn them over to the responsible authorities. [Text] [Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 19 Apr 84 p 8] 12351

CHIAPAS: CATHOLIC, PROTESTANT FRICTION--Ixtapa, Chiapas--Religious friction between Protestants and Catholics may lead to serious problems if the disputing groups are not persuaded to set aside their differences. As has been reported previously, the Protestants use loudspeakers during their religious ceremonies, thus disturbing the Catholic population. The Catholics have rightly lodged complaints with municipal officials, who have said they lack the authority to resolve the problem. The complainants pointed out that they do not object to any group practicing another religion, since there is freedom of religion. However, "we do object when inhabitants of Ixtapa have to listen to their songs and prayers because of the loudspeakers they install in their churches so that the people will hear their ceremonies." [Text] [Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 17 Apr 84 pp 1, 4] 12351

STERILE FLY PLANT CONTAMINATION--Tuxtla Gutierrez, Chiapas, 16 Apr--The sterile fly producing plant that the Mexican-American Commission has set up in Chiapa de Corzo to combat the borer worm has contaminated and caused serious ecological damage to the Grijalva River. Hundreds of residents of the municipality of Chiapa de Corzo complained to the president of the State Congress, Deputy Arturo Morales Urisote, about the pollution caused by the sterile fly plant, and an investigative commission was immediately appointed. It is chaired by local lawmaker Venturino Coutino Grajales and Professor Bulmaro Morales Cruz. The legislative investigatory commission will ask the Secretariat of Urban Development and Ecology to demand that the Mexican-American Commission install appropriate devices to treat the chemical wastes that the Chiapa de Corzo sterile fly plant dumps into the Grijalva River and that have adversely affected fishing in the La Angostura Reservoir. [Excerpts] [Mexico City EXCELSIOR in Spanish 17 Apr 84 p 8-D] 8743

## EVICTIONS PROMPT CDS TO FORM LEGAL OFFICE

Managua BARRICADA in Spanish 5 May 84 p 9

[Text] Living up to its motto of watching out for the people's interests, the "People's Mailbag" column is extremely disturbed by the eviction procedures that the Ministry of Housing and Human Settlements has been utilizing, especially since there has been an epidemic of such evictions in Managua in recent days.

Many persons complain every day that they have been thrown out of their homes without having anywhere to put their belongings.

There have been instances in which the persons in charge of the eviction procedures claim that the CDS [Sandinist Defense Committees] and even the Sandinist Police have authorized them.

## MINVAH Disorder a Factor

We discussed the issue with Comrade Elias Chavez, the secretary general of the Third Regional Committee (Managua) of the CDS. He feels that the problem is due partly to the disorganization in the Housing Ministry.

He also pointed out that the reason for other problems is that when it comes time to make decisions, MINVAH takes the easy way out and passes the buck to the mass organizations, the CDS in this case. "Nothing could be easier for them than to comply with the law and leave it at that," he asserted.

We realize that the ministry has been making an effort to get organized. But we feel that it must do better, so that it can provide a constructive solution to the housing problem in the region, he remarked.

Its lack of organization has had adverse effects on the population at given times. When the Tenancy Law was in abeyance, evictions were also suspended, of course, and a backlog of some 5,000 cases developed.

When the Tenancy Procedure Law was passed, the backlogged cases became active again, and that was when the problem arose, he noted.

### In-Depth Study Needed

We propose to conduct an in-depth study of the situation to take care of all these problems and implement a series of measures that will benefit everyone, the CDS leader said.

Still on the subject of evictions, he pointed out that some cases are outside the jurisdiction of the MINVAH and the CDS, for example, when the owners and tenants enter into a mutual agreement. Because the tenants are often unaware of the law, they sign these agreements to their detriment.

At times landlords evict tenants without authorization. They also pressure them by cutting off their light and water or not accepting the rent, in short, a number of ploys to get tenants to leave.

Chevez explained to us that landlords are afraid of losing the fruit of their efforts, and this is what prompts them to take this kind of attitude.

"Given this situation, we tell them that the revolution does not want to put anyone out on the street and in this case we feel that the matter can be readily settled before higher authorities."

### All Are Entitled to Housing

"The revolution works precisely to resolve the people's problems. Therefore, as an organization we have to mediate, inasmuch as everyone is entitled to housing; we must not overlook, however, that the problem is an acute one," he stated.

For the time being, what we can do is tell MINVAH that the law cannot be enforced unthinkingly and that we should look into the problem together in depth. We have to take a look at all of the factors, so that the owners do not feel that we are going to take away their property, while we tell the tenants that the house belongs to the landlord and that they have to pay rent to live in it, the CDS leader indicated.

### CDS to Set up Legal Office

To prevent tenant-landlord agreements, the Region Three Committee of the CDS plans to set up a Legal Office. It will be staffed by attorneys who will look out for the people's interests and advise tenants as to how things should be done.

This column reminded the secretary general of Third Regional Executive Committee of the CDS that many of the eviction notices are signed by both MINVAH representatives and CDS representatives in the ministry. He replied that he would strongly call on them not to take the signing of the orders so lightly.

### Not Trying to Harm Anyone

"We realize that at times our representative takes the easy way out and sidesteps the problem as such. You can't issue 120-day extensions or eviction notices just like that. You have to seek compromises that benefit both parties, because the point is not to harm anyone," Chevez asserted.

"Furthermore, we are going to tell MINVAH to speed up the processing of many cases that it has filed away, because many of the cases just require a hard look and a decision," he stressed.

With regard to the presence of the Sandinist Police during the evictions, he pointed out that the police "only carries out orders."

In conclusion, he clarified that from the outset the police did not want to become involved in this matter, to avoid creating a bad image for itself, "but it had to take action under pressure from the Supreme Court."

8743

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## CDS CALLED PASSIVE, URGED TO MOVE AGAINST SPECULATORS

Managua EL NUEVO DIARIO in Spanish 8 May 84 p 2

[Editorial: "The CDS's Should Be True Social Defense Organizations"]

[Text] The Sandinist Defense Committees (CDS) have a challenge before them: to take effective action against profiteers, against those who are bent on getting rich while the people go hungry.

The comments that Commander of the Revolution Jaime Wheelock Roman made this past May Day in Chinandega denouncing the bloody repression--yes, repression--that the profiteers are engaged in against our working people, need the resolute support of the eyes, ears and arms of the revolution: the CDS's. Now that these committees have been in existence for more than 5 years, they must move forward and discharge broader social defense functions.

In the low-income districts in this capital the retail distributors, the grocery stores, with all too few exceptions, are making fat profits right under the nose of the CDS. They are fleecing the people for all they are worth, reducing the buying power of the workers' wages to a minimum.

If a family needs two liters of milk, for example, it has to plan on paying at least 8, not 6, cordobas. That's right, because you have to buy bread too. Otherwise, there's no milk!

There has been a flood of complaints about this matter, but the situation remains the same, and there is apparently no way to get the CDS's to abandon their by now traditional passive stance.

We believe that the top leaders of the CDS's should think about passing laws so that the CDS's can play a truly active role in the defense of the revolution.

We say this because when profiteering grocery stores in our country capriciously raise the prices of some staple goods, they are consciously or unconsciously conspiring against the progress of our revolution. And this is part of the plans of State terrorism that the Reagan administration is financing and that the disreputable CIA engages in every day.

## PHARMACEUTICAL, BANDAGE INDUSTRY GEARED UP FOR WAR EFFORT

## Solka Laboratories Double Shift

Managua BARRICADA in Spanish 7 May 84 p 4

[Text] The pharmaceuticals used by our people, mainly the soldiers fighting for our national sovereignty, are also part of a rearguard production effort in defense of our country. The country's only government-run laboratory, Solka Laboratories, bears the main responsibility in this effort.

Faced with a severe crisis because of the economic blockade imposed by American imperialism, almost 5 years after it was nationalized Solka will invest more than 144 million cordobas this year to manufacture items on the basic list recommended by the Health Ministry.

In this regard, the enterprise's director, Irving Guerrero, noted that at present 80 percent of its output is earmarked for the Single Health Care System and only 20 percent for commercial sale. "This year we will post a record production, especially in the strategic line of antibiotics, antidiarrhetics, sulfa drugs, cough suppressants, fungicides and others," he added.

Solka is also the policy-making body for the procurement of domestically consumed raw materials from privately run laboratories. This year \$9 million in foreign exchange will be spent on such purchases, 95 percent of them from Europe, Latin America and North America.

Guerrero pointed out that the enterprise is currently researching and developing 11 new products that could go on the market next year, among them, cimetidine (for treating ulcers), penicillin and psychotropic pharmaceuticals.

The strides that Solka has made necessitated the expansion of its facilities and a greater distribution of the work load. In addition, two new projects will go on line in 1985: the new serum processor, which can put out 2 million liters a year, and the vial plant; the two will cost a total of \$2.35 million.

## Quality Control

The heart and mind of the entire pharmaceutical production machine is the staff of medical technologists. "Our product quality control is super," emphasized Guerrero in discussing the enterprise's quality control laboratory. In this regard, Solka lends analytical technical assistance for the research that the Military Hospital is conducting in the field of war medicine.

Gabriel Arguello, the lab director, said: "We are demanding in our work." His remark was confirmed when during our tour we observed the quality control procedures for the raw material, the microbiology and the finished product ready for market.

Aware of their responsibility, the staff of six chemists, four intermediate technicians, one biologist and the other support personnel are constantly checking on each formula being manufactured. "Before labeling it and even when the product is on the market, we continue to analyze how the formula behaves," Arguello explains.

Living up to the people's rallying cry of "They shall not pass!" the workers and technicians on this production battlefield are defeating the enemy every day as he attempts to return us to the past.

More than 300 workers are employed in two continuous shifts in this pharmaceutical enterprise. Antonio Serrano, a member of Solka's Basilio Calix Union, indicated that aside from production the enterprise's other basic commitment is to its self-defense, which has been organized in accordance with the military structures of the MPS's [Sandinist People's Militias] and revolutionary vigilance.

"I am proud to be working for my country and its defense. I am grateful for the opportunity I have at my job," said Roger Buitrago Saenz, an industrial pharmacist who studied in Brazil. He currently runs the Department of Microbiological Control, Raw Material Analysis and Finished Products.

For her part, Mercedes Torres, a pharmaceutical chemist in the Department of Products in Tablet Form and Medical Suspensions, says: "Since the state of emergency was declared because of the aggression, we decided to donate part of our wages for the defense effort and we have doubled the work shifts to this end also."

## Ramos Laboratories Supply Army

Managua BARRICADA in Spanish 7 May 84 p 4

[Text] Ramos Laboratories has received orders from the Sandinist People's Army (EPS) for medicines that are used on the battlefield by the combatants who are defending the Sandinist People's Revolution.

Ramos Laboratories is a private company. Its workers, led by Nestor Hernandez, the secretary general of the union, assert that they will gladly fill the EPS's orders.

Hernandez pointed out that his workers' combat readiness is equal to that in any other plant in the People's Property Area. He said that they are aware of the rearguard role that they are playing in the defense of the revolution.

Dr Maria Dora Lanzas, the production manager at Ramos, added that the company has orders for items ranging from delousing agents to brain-strengthening vitamins.

The orders are mainly for the second half of 1984. For example, the company will produce 50,000 units of delousing substances, 30,000 units of antidiarrheal drugs, thousands of jars of vitamins, cough syrups, sulfathiazole to combat infections in wounds, 25,000 units to combat foot fungus, 4,000 gallons of Merthiolate and eye medicines.

Dr Lanzas reported that the company is having problems bottling the eye medicine because neither jars nor lids are available.

She stated that they are awaiting a shipment from Holland containing the raw material for various pharmaceuticals, including the ones ordered by the Sandinist People's Army.

#### Prosar Operates 24 Hours

Managua BARRICADA in Spanish 7 May 84 p 4

[Text] Josefina Ojeda, a worker at the Prosar plant, says that she is proud and honored. She is one of the women who were chosen for the group that manufactures exclusively dressings and bandages for the combatants of the Sandinist People's Army.

"Lacking the machinery to compress them so that they fit in a small bag, we pack them in plastic bags, but they work just as well," explained Xavier Will, the director of the company.

Dressing, which consists of gauze and cotton, is used mainly to contain hemorrhaging. In addition to this item, Prosar, which has been in business in Nicaragua for more than 50 years, makes gauze diapers, gauze for hospitals, bandages, bandaids, cotton, sanitary napkins, adhesive tape and other products.

The company is located on the highway to Xiloa, and its 345 workers are on rotating shifts, keeping production going 24 hours a day. Antonio Obando, the union secretary general, adds that another shift is being planned. The company also has a small school-workshop in which periodic training is provided on looms and machinery for both new workers and those wishing to change jobs.

## Defense a Priority

The workers are aware of their priority role in the country's rearguard defense, and their organization in revolutionary vigilance and the militias is bound to improve with each passing day. "Every month we hand out incentive certificates and 300 cordobas worth of staple goods to the outstanding comrade," Obando explains.

To boost productivity, an incentives policy was started this month for production goals, although the workers' biggest thrill is knowing that they are helping to strike another blow at imperialism. "I'm delighted to work for our combatants. These items are for their health, so I make sure that they leave here good and clean," said 19-year old Damaris Zavala, who has been with Prosan for 5 years.

"I don't think that we're doing that much for defense," adds Santiago Alvarez, who works 12 hours a day in the adhesives department. Like other top company personnel, Alvarez, the union's organizational secretary, is doing an extra day of revolutionary vigilance to back up the members of the MPS's.

"I don't mind doubling the shifts if our aim is to supply our combatants," said Miriam Areas Garcia, not taking her eyes off the large tool that cuts the processed rolls of cotton.

Prosan is also engaged in a major effort to keep its obsolete equipment running. A group of mechanics is constantly checking and oiling the machinery, which is almost scrap iron by now. Innovators are constantly overhauling equipment and building new parts. Some equipment that Taxnicsa Textiles discarded is also scheduled to be overhauled so that it can go on line in the coming months.

Production and defense is the watchword that is heard every day at the plant against the background noise of the looms. The workers' enthusiasm is in response to what Commander Wheelock said on May Day: "Even though we might have temporary difficulties, the revolution is investing in the future in every way. The present belongs to the revolutionaries who are able to understand the revolution's difficulties and who with their children and families are going to enjoy a future of progress and happiness."

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## PAPER PRAISES JESUIT COMMENTARY ON PASTORAL LETTER

Managua EL NUEVO DIARIO in Spanish 9 May 84 pp 1, 9

[Text] Jesuits Analyze Pastoral Letter

"One cannot demand an unconditional dialogue with people who have not asked for it or with people who ask for it while killing. One cannot demand an unconditional dialogue with people who refuse to respect Nicaragua's right to full national independence, much less when it is an open secret that behind those attacking and killing is the intransigent, fanatic money of domination."

The National Council of the Company of Jesus of Nicaragua yesterday issued a document entitled "a word of freedom and love in response to the pastoral letter." Drafted in a spirit of Christian thought, the document is an attempt to collaborate with the College of Bishops in service to the Gospel and to continue serving the cause of justice and the faith with the necessary rectitude.

In their document the Jesuits assert that "the just defense of our people in the face of American aggression, the diplomatic efforts to halt the aggression, the amnesty offered, with few exceptions, to those who have taken up arms if they will lay them down, and the pleading to God for peace by the believers who are the majority of our people, are the true road to reconciliation."

The Pastoral Letter Proposes A Different Path

"It seems to us that the pastoral letter is proposing a different path, unconditional dialogue with the insurgents, which sacrifices Nicaragua's sovereign rights and fails to mention traditional valid demands of our faith that must precede reconciliation," the Jesuits note.

As far as the sons of Loyola are concerned, the need to forgive does not supersede the objective requirements of justice. "Justice properly understood is, so to speak, the purpose of forgiveness. Nowhere in the Gospel does forgiveness, not even pity as its source, mean indulgence with evil, with scandal, with injustice or with outrage. Reparation for the evil or the scandal, redress for the injustice and amends for the outrage are conditions for forgiveness."

## Two Contrasting Pastoral Letters

To support their arguments, the Jesuits compare the pastoral letter issued by the bishops on 17 November 1979 and the letter of 22 April 1984. "The previous letter was welcomed as a bold statement by the Church that while not overlooking the shortcomings, mistakes and wrongs of the fledgling revolution, also addressed its critics and was mainly an evangelizing effort to anticipate historic challenges."

"That letter," the Jesuits continue, "affirmed the duty of Jesus Christ's followers to be active agents even along the likely road towards a socialism compatible with our faith. It noted the opportunity to take seriously, under new structural circumstances, the option for the poor. It called on Christians to embrace the spirituality of poverty and lead austere lives in keeping with urgent needs of reconstruction. It defended the paths towards a rescued nationhood that could develop without being dependent on capitalism or totalitarianism. That letter was regarded, and not only in Nicaragua, as a model of demands in their historic context, of Christian radicalism."

## The War of Aggression Forgotten

According to the Jesuits, this year's pastoral letter broaches the Christian requirement of forgiveness at a time of division and aggression at which it is difficult to forgive. Also, it attributes the enmity to the remnants of egoism and personal hatred, thus overlooking the important structural and historic causes.

"We see this as a major omission. In our view, the letter forgets that the Nicaraguans who were in disagreement with the revolution to the point that they chose to unleash an armed counterrevolution, were able to do so only when in December 1981 the president of the United States signed a national security order authorizing a covert operation to finance, train and support the counterrevolutionaries."

"This is also the prevailing international view of the situation in Nicaragua. It is difficult to find governments that regard what is happening today in Nicaragua as a civil war. It is noteworthy, in contrast, that the counterrevolutionary uprising, which is possible only because of U.S. aid, has been unable to cause an internal uprising against the revolution," the Jesuits point out.

## The Truth in a Nutshell

After describing the suffering that Reagan's orders have caused the Nicaraguan people, the priests note that "a world power that dominates the hemisphere in which Nicaragua is located is attempting to impose the unchallengeable law of its own interests on our country. Whenever possible, it has not hesitated to resort to war to this end. With this terrible tool it is hampering the reconstruction; by mining our harbors it is doing whatever it can to sow discontent by aggravating the shortages of foodstuffs, medicines and fuels, and above all, it is bringing the horrible dynamics of war to a country that thirsts for peace."

"We are also aware of the errors that this revolutionary process has made: its flawed freedom to debate, its excessive bureaucratization, the simplistic antireligious remarks by certain officials and ideologues, the abuses and inefficiencies of the marketing and distribution network, etc. Some of these things are due to the poverty and backwardness of our Third World country. According to serious testimony, they do not constitute systematic human rights violations by the government. Moreover, many of these mistakes have been acknowledged and some of them legally punished," the Jesuits stress.

#### Materialistic Influences

To the Jesuits, the atheistic, materialistic tendencies that exist in Nicaragua pose a challenge to the Church's ability to spread the Gospel. "If there are weeds in the revolutionary process, we will have to take care of them. Pulling them out all at once might also lead us to destroy the healthy seeds of greater justice for those who have always been poor and dominated. If the seeds of atheism exist in Nicaragua today, does that justify a blanket discrediting of the process? We feel, rather, that this is a challenge to the Church, which is more than ever on the side of justice and hope for the poor, a challenge to purify its image and announce the God of hope to the poor. Can the Church be an active agent in this fledgling process, which is still just 5 years old, if because of its poor memory or omissions it is accused of forgetting the legitimate national interests of our homeland?"

Noting that the bishops' letter fails to mention the Contadora negotiations, which John Paul II himself supports, the Jesuits point out that this omission also threatens to scuttle any possibility of dialogue and reconciliation, which is supposedly what the pastoral letter is seeking.

The Jesuits conclude by reiterating that our people need to be called upon again to have confidence in the new history that we must forge. "We believe that the Nicaraguan Church should ask the worldwide church for a real show of solidarity with our people and for effective steps to alleviate their suffering," concludes the Jesuit document, which we are publishing in its entirety elsewhere in this issue.

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## COTTON HARVEST TO BRING IN \$133 MILLION IN 1984

Managua EL NUEVO DIARIO in Spanish 14 May 84 p 5

[Text] Although the cotton crop area in the 1983-84 farm year was "slightly less than the year before" according to the president of the private cotton growers in UPANIC [Agricultural and Livestock Producers Union of Nicaragua], Humberto Padilla, "the yield in bales and dollars" will be higher, says the director of the National Cotton Enterprise (ENAL), Luis Lacayo.

"We have made every effort to have an optimum harvest," said Padilla. "We mobilized 11,000 growers belonging to UNAG for the cotton cutting," indicated Danilo Mairena, the president of the National Union of Farmers and Livestock Raisers in Region Two. "The fiber that we produce is much better than 5 years ago, and our cotton is sought after on world markets," commented the ENAL director.

Because of these factors and others, the harvest could yield "more than 385,000 bales, compared to some 360,000 the year before," Lacayo added. On the basis of that output, estimates are that the cotton will bring in \$133 million in 1984.

We must acknowledge the efforts of students, government workers and, of course, the agricultural proletariat in achieving these goals.

According to Padilla, the the total cotton crop area was 113,580 manzanas [1 manzana=1.75 acres]; 47,804 belong to the People's Property Area, 41,000 to the small and medium growers in UNAG, and the rest, the majority, to the Association of Private Cotton Growers in the east and west.

He went on to say that as of mid-April output totaled some 360,000 bales, with some 6,000 more remaining to be produced. Leon accounts for the highest production.

Under the recent government decree on new prices and incentives, the private growers will be able to sell to ENAL at 1,400 cordobas per quintal of cotton, compared to 1,100 previously. This price "is still unrealistic," however, according to Padilla. In its zeal for profit, UPANIC made a counterproposal to the government of 1,650 cordobas, Rosendo Diaz, a UPANIC executive reported.

### Thirty Percent Harvested Mechanically

Some 240 cotton pickers harvested 30 percent of the cotton this year, whereas they harvested just 17 percent the previous season, Lacayo indicated. Padilla added, however, that "a lot of cotton was left unrecoverable on the ground. He remarked that when the crop was ready for harvest, there was a shortage of manpower and machines. "The untimely rains also hurt," he said.

Another shortcoming that Padilla mentioned was in aerial fumigation, owing to the lack of planes and spare parts. Moreover, insecticide ran short "at the critical moment, thus hampering pest control." He concluded by noting that the yield forecast was 40 quintals per manzana, "but the average yield was below the historic average."

UNAG executive Danilo Mairena mentioned the same shortcomings as Padilla, adding that some growers do not realize how important it is to use cotton harvesting machines, "and they had a rough time because they were waiting for workers," he said.

Mairena and his four brothers grow cotton on 150 manzanas, "and with the cotton pickers we have a higher yield and a better quality of fiber." He added that with the "machine" the yield is 40 percent, compared to 33 percent with manual cutting.

Some 120 cooperatives and individual growers work with UNAG. In the coming days they will request a detailed report from the various sectors involved "to analyze the problems and figure out the productivity index," Mairena said.

Mairena expressed regret over the "losses" that he said were caused by the lack of "coordination between the experts at the Experimental Cotton Center (CEA) and the growers." He added that the experts told the growers "not to worry about losses because that's what their insurance was for."

Mairena attributed the aforementioned losses "to more than pests and untimely rains." He mentioned that for operational purposes UNAG sits on the Production Council, the Harvest Committees, the Credit Committee and the Agrarian Reform Council.

"UPANIC (the cotton growers) has tried to establish closer ties with us and sometimes rents us its cotton pickers. We have no problems with them because we're growers too," Mairena said.

With foreign trade nationalized, ENAL is responsible for purchasing and marketing cotton. "ENAL pays them, and the financial system gives them the incentives," Lacayo said.

We pay the growers a "support price," and if the cotton is top quality, they receive bonuses, Lacayo went on to say. He commented that there are 16 internationally recognized quality grades. "Quality is not just a question of having less waste or being cleaner," he added while pointing to two different quality packages.

"This one is cream-colored," he noted, "and the genetic characteristics of the fiber vary from one bale to another." He said that our cotton has a good reputation on the traditional markets in Japan, France and the rest of Europe, and proof of this is that some 100,000 bales of cotton futures have already been sold.

The average price per quintal is \$10 higher than last year, he remarked, and 264,000 bales had been exported as of 30 April. Some \$100 million in cotton export earnings will be entering the country over the next few days. Lacayo estimated that the total could reach \$133 million.

According to Commander Daniel Ortega's report at the opening session of the Council of State this past 4 May, total exports brought in \$405 million, with cotton accounting for 26 percent, according to Lacayo's estimates. The percentage will obviously rise this year.

Cotton can be sold at set or floating prices on international markets. For free-market sales, Nicaragua uses the New York Exchange, where speculation causes prices to fluctuate constantly, as a benchmark, Lacayo said in conclusion.

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## LABOR'S CONCEPTION OF NEW DEMOCRATIC STRUCTURES PRESENTED

Paramaribo DE WARE TIJD in Dutch 26 Apr 84 pp 1, 12

[Text] Tuesday evening the four labor unions met in the ABO [expansion unknown] and presented to their leaders the labor movement's conception of new democratic structures for the new democracy. The subject of this meeting was the conception formulated by the Denkgroep [Think Tank] which consists, in addition to representatives of the labor movement, of representatives of private enterprise and the revolutionary leadership. These two partners presented their conception of new democratic structures at an earlier date.

True

The document of the labor movement begins with a discussion of "direct democracy" and then goes on to discuss parliamentary democracy which failed to function. It comes to the conclusion that the parliament was never the epicenter of power under the parliamentary system. Such power was in the hands of the government; the conclusion is therefore that we were actually governed by a ministerial system. This document recommends the following procedure: "under the present circumstances responsible leaders in Suriname should come up with a truly democratic structure." The focal point should be human dignity. This system should benefit workers, peasants, young persons, in short the entire society. Definite attention should hereby be paid to the original motivations of the people. The system should therefore be compatible with our national character and it should form an extension of its aspirations.

National Interest

Suriname's history teaches us that there have always been groups in our society fighting for our national interest in truly democratic fashion. These groups achieved many goals through the struggle for freedom and by raising the consciousness of their followers; this was to the advantage of the entire society.

The document mentions the organized labor movement. It also mentions: "those persons who had the courage and were forced to resort to armed conflict to end a miserable system and to smooth the way for the establishment of truly democratic structures."

## Constitution

The labor movement is based on a number of priorities: the constitution, the constitutional state, a representative body, the form of government, and the Rekenkamer [National Audit and Inspection Agency].

In our country we cannot do without the constitution. However, not a constitution in the traditional sense of the word but one with real meaning. It should not only list the main points of our political life but also make particular mention of the foundation of the economic and social order.

The new constitution will have a programmatic and functional character and should not just be a framework for political decisions. It should also formulate the leading conceptions of political policies.

It so becomes a rule of conduct for political, governmental, and social bodies and authorities and also a program for the national effort and an obligatory codification of the goals and foundations of our society. It should not be limited to the organization and structure of government bodies but it should concentrate on listing major goals, their allocation, and in this connection, competencies and responsibilities of state and social bodies.

## Constitutional State

Based on the principle of the constitutional state legal provisions will have to be established which ensure that under normal conditions the government will also be forced to operate within the existing rules of law. This entails that it will soon be necessary to strengthen the people's legal protection against the government. In this respect the establishment of special committees to arbitrate in quarrels between the government and its citizens is worth mentioning. In cases of governmental disagreement to be decided by an independent legal committee operating outside the administration we are dealing with administrative justice. Such committees only judge the legality of the case (example: disagreements about the application of pension legislation, accident legislation, etc.).

Administrative disagreements to be decided by an agency within the government belong to the category of administrative appeal (example: a minister is asked to overthrow a decision of a district commissioner who denied the issuance of a license on the basis of a legality).

The body authorized to decide a case does not only judge its legality but also its effectiveness and suitability. In establishing the principle of a constitutional state it is essential to guarantee the people's fundamental rights in the constitution and also to institutionalize such rights. In other words guarantees for freedom must be supplemented by guarantees and arrangements which ensure that such freedom becomes really meaningful. However, one should prevent the recognition of certain fundamental rights

which could assume the characteristics of superfluous luxuries because they cannot be made operational (for instance, the right to good health). Such fundamental rights could be mentioned in the preamble to the constitution or in a separate declaration in addition to the constitution. In view of the essential character of these rights in the conception of the constitutional state it would be in order to give them such a place in the constitution.

The conception of a -- disguised -- preconstitution is being proposed, namely a constitution containing the fundamental rights brought together in the first chapter and not dispersed all over the document. To change and/or supplement -- and this essential for the idea of a preconstitution -- the procedure should be more difficult than for a change in the constitution itself.

We recommend that a panel of experienced experts investigate whether, in addition to the presently used vertical application of human rights in legal encounters between the government and the people, there should also be a so-called horizontal application of these rights or so-called third party action (in German: Drittwirkung), in other words the fundamental rights will also be applied directly to legal encounters between the individual persons enabling the judiciary to use these rights directly in situations dealing with civil law. The principle of social justice will also be borne out if the constitution contains fundamental social rights. This group of fundamental rights realizes indeed the desire to create such conditions that formal freedom becomes simultaneously material freedom. These rights should lead to recognition of the right to strike, to welfare assistance, social security, etc.

#### Duties

As we emphasized so often already, the goal we visualize is equality for all citizens. True democracy, among other things, will take us on the road to this goal. The ultimate goal will only be reached when every citizen fulfills his duties correctly at all times. Contrary to the methods used by previous designers of constitutions it is a real necessity to devote a special paragraph of the constitution to the fundamental duties of our citizens. We are talking in terms of the duty to pay taxes, the military draft, the duty to report for service, to vote, elect, perform emergency services, attend school, etc.

#### Representative Body

More than any other state organ the representative body must be given a clear position in the affairs of the state since it has the duty to interpret the will of the people to the state government. As we already mentioned earlier we have seen that elections based on the parliamentary system are unable to serve the people's interest, namely the realization of the people's equality in principle.

The age old system of direct involvement of the people in the decision making process is also not feasible in a large modern society. Appointing representatives also no longer satisfies the demands of our time. We are therefore forced to choose between these two extremes and to use our knowledge of history to find out which groups have always actively served the public interest. These groups must lead the people to a truly democratic choice.

As regards the election procedure close cooperation is needed between those with a long experience in interpreting the true will of the people and those who will have to act in name of the people to achieve an adequate transformation towards really new democratic structures.

Organizations of employers, workers, peasants, and soldiers must become involved in the workings of the state to see to it that we create a state based on organic cooperation of groups which each represent certain mutual interests (corporative system).

The introduction of a two chamber system is under consideration. On the one hand there will be a People's Chamber (representatives partially elected by indirect vote and partially by direct vote).

On the other hand there will be a Social Chamber of corporative design. Although we proposed here the responsibility of bicameralism it does not necessarily have to become a matter of principle. The corporative philosophy regarding representation of the people could also be realized in a system with only one chamber.

#### Form of Government

All experts in this field in Suriname should be quickly brought together to study the form of government. They should investigate whether a centralized government can satisfy all the demands of the Revolution, or whether decentralization with, for instance, limited autonomous authority for the districts, should be considered. In addition they should undoubtedly explore whether a deconcentrated form of government, introductory to the centralized system, will be more efficient in this phase of the development. At any rate, this should be given priority over many other matters. We are dealing with one of the essential conditions for the people's involvement in their own affairs.

Decentralization is an organizational form of the state; in addition to the supreme leadership of the state with its national civil service it has other bodies of authority (lower governments) with their own competencies (autonomy and selfgovernment/participatory government), they rely on their own sources of power. The decentralized authorities are hierarchically not subjected to the central government. However, they are under the guardianship of a higher Authority to prevent transgression of the law or damage to the national interest.

(Preventive and repressive supervision -- the Netherlands and Belgium)

Deconcentration is an organizational set up of the state whereby its central leadership locates some of its services or departments of its national civil service organization outside the capital in various areas of the country (the Netherlands, Suriname). Centralization is a set up of the state whereby the central government and the national civil service control all government duties. Centralization can be used together with deconcentration.

Rekenkamer [National Audit Department and General Services Administration]

Its present structure is not satisfactory, An overhaul is therefore overdue. Collegiate supervision should be changed to supervision by a College on "ONE-MAN" leadership. The main reason for this is that the chairman and the members do not actively participate in the work of controlling the civil service; this is common knowledge. All they do is give general instructions and take final decisions. These persons' roles in the college can be described as purely formal. The key position is actually in the hands of the secretary. The chairman and the members are forced to "sail by his instructions." It is therefore appropriate to ask for the transformation of the college into a control organ under the leadership of a "High Controller of State Finances." Discussion meetings which up till now have been held once a month by the members of the college could in the future be held by the High Controller and the members of his staff; all of them should at least be experts in this field.

This should prevent subjective elements in the High Controller's decisions. His title has the advantage that the public is immediately aware of the nature of the state organ they are dealing with. With the designation Rekenkamer this has so far not been the case.

To allow it to operate as independently as possible from the executive branch the following is necessary:

- A. The college must be turned into a foundation.
- B. The High Controller should be appointed at the recommendation of the executive board of the foundation by a Special Council consisting of members of parliament and the members of the High Court of Justice.
- C. He can only be terminated under circumstances now applicable to members and acting members of the Rekenkamer as described in the Rekenkamer Act.

In the annual opening session of parliament the High Controller presents his general opinion of the legality and effectiveness of the country's financial management. Immediately after his opinion is heard the parliament begins its normal session with a discussion. No changes are needed in the description of the work of the Rekenkamer, namely examining the legitimacy and efficiency of all financial transactions of the government.



1. Examination of legitimacy. The Rekenkamer checks in detail whether expenses have stayed within the borders established by the national budget, whether payments were actually due, and whether the agency which made the payment was authorized to do so.

2. Examination of efficiency. The Rekenkamer checks to what extent funds could have been used in a more efficient manner, this means that it passes judgement on the quality of management.

#### Conclusion

With its responsibilities in mind the organized labor movement felt that it had to prevent the above as its contribution to the subject; the necessary democratic structures will have to be created within this framework. It did not try to be complete as it is convinced that the above will be the start of an exchange of profound ideas which will lead to more and supplemental details concerning this matter.

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## DISTRICT COUNCILS DEALING WITH PROBLEM OF MERCHANT HOARDING

Paramaribo DE WARE TIJD in Dutch 8 May 84 p 1

[Article by the National Information Service: "Hoarders To Be Punished, Licenses To Be Revoked"]

[Text] In the past few days the District Councils of Marowijne, Commewijne, Suriname, Para, Saramacca, and Nickerie met in urgent sessions to study hoarding by shopkeepers of primary necessities of life.

Interviews with government agencies responsible for the purchase of supplies indicate that there is no shortage of primary necessities of life right now.

The Volksstrukturen [People's Structures] deem it therefore appropriate to urge the public to immediately alert the Volksmobilisatie [People's Mobilization] of the Dienst Prijscntrole [Price Control Board] when they see that merchants or shopkeepers refuse to distribute or sell their supplies of primary necessities of life.

The Volksstrukturen attribute hoarding of life's necessities by merchants to the counterrevolution which intends, first of all, to create a mood of panic and to foster bad feelings against the revolutionary leadership, the government, and the revolutionary process.

They point out that our merchants are licensed by the government and operate therefore under the obligation to supply the public with the primary necessities of life.

If it becomes apparent that merchants and shopkeepers do not understand their obligation and violate the regulations of their license, namely to distribute and sell primary necessities of life, the government, in this case the Ministry of Transportation, Trade, and Industry, will have to take stern measures and immediately revoke the licenses of merchants and shopkeepers who are in violation.

The Volksstrukturen state that in this phase of the revolutionary process they will not accept such behavior from persons who claim to be Surinamers.

They appeal therefore to merchants and shopkeepers to realize their responsibility to the nation and the public, to assume a patriotic attitude, and proceed with the distribution and sale of primary necessities of life.

A different attitude must be severely punished by the revolutionary leadership because it would not be directed against neo-colonialism and imperialism but against our own people, the revolutionary leadership, and the government.

In conclusion the Volksstrukturen explain that if we, as a people, believe ourselves to be involved in a revolution, such activities should never be permitted.

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## DANGER OF FLOUR, BREAD, FUEL SHORTAGES DENIED BY GOVERNMENT

Paramaribo DE WARE TIJD in Dutch 21 Apr 84 p 1

[Article by National Information Service: "No Fear for Shortage of Bread"]

[Text] The Ministry of Transport, Trade, and Industry [THI] is now taking steps to guarantee the distribution of flour in our country. There is still enough raw material, wheat from which flour is made, for several weeks.

To prolong this period the Meelfabriek de Molen [Flour Factory the Mill] cut down deliveries to its customers, the bakeries. However, if people buy their normal amounts of bread and do not make extra purchases, enough bread will be available for everybody. This information was given in an interview with THI Director Harold Rusland and Roy Bikharié, president of De Molen.

## Permit

President Bikharié explained that his elevators usually contain enough wheat for 1 month. A few weeks ago he did not get an import permit and he is therefore using up this supply. According to Director Rusland the permit was not given because of a problem with foreign assets. Almost all Third World countries are struggling with such problems; they are much more affected by the worldwide economic recession than industrialized nations. He stated that the ministry has now done everything needed to resume the importation of wheat. He emphasized that there is no reason for anxiety. The THI director said that Radio Netherlands is spreading the rumors about a shortage of bread.

## Cut in Half

In a discussion with bakeries President Bikharié proposed to use flour exclusively for bread and to stop baking cakes, etc.

To prevent that the supply will be used up too fast De Molen will give the bakeries in the coming weeks a little more than one half of the normal deliveries of flour. He also stressed that there is no reason at all for anxiety because there is enough flour for bread. Director Rusland of THI said the same thing and added that he has the impression that some persons are now trying to buy more than they normally would. They should definitely not do this because if we all stick to our normal purchases there will be enough bread.

At the normal consumption level, without the reduction now introduced by De Molen, there should still be enough for 2 to 3 weeks. Before this time is up the supply will have been taken care of, according to Rusland.

The THI director said that the rumor factories have been busy again spreading tales about the supply of gasoline, diesel oil, etc.

There is definitely no shortage of fuel and fears about it are unfounded. Deliveries are normal and the supplies in the various depots are regularly being replenished.

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## BRIEFS

**ANTILABOR BUSINESS TACTIC CRITICIZED**--In our interview with C-47's press service its chairman Fred Derby had the impression that some enterprises are abusing our nation's financial and economic situation. In spite of a period of expansion and increased production and productivity employers are firing workers. They are fired or sent off with early pensions. Their jobs will often be given to other workers who receive less pay. There are also employers who threaten to close their plants. The labor movement will never approve of such an attitude. The point is that in these times of economic recession such employers demand that their businesses produce the same profits as during the good times. Employers must understand that they should look at these things from a different point of view. They should create new conditions. They should have another goal instead of just pure profits. Except for profits they should also listen to arguments of a social nature. The national interest must take priority. Many businesses often do not suffer losses at all. The labor movement remained passive too long. It should take a decision about this situation. Businesses threatening to shut down, should be taken over and run in accordance with the above-mentioned principles, namely the interest of the nation. The labor movement will urge the government to give this matter its undivided attention. More than ever before the workers should unite to meet this situation. Fred Derby (C-47) says: "Workers unite."  
[Text] [Paramaribo DE WARE TIJD in Dutch 24 Apr 84 p 10] 10319

**NETHERLANDS C-47 CHAIRMAN'S VISIT**--At the beginning of this week Henry Tdlohreg, the chairman of C-47 Netherlands, arrived in our country from the Netherlands. He came at the invitation of the C-47 Executive Council to take part in the 1 May festivities. After an exchange of information his visit will also be used to give him new instructions for the management of his office in the Netherlands. Since its establishment in 1982 C-47 Netherlands gathered and distributed information in the Netherlands. To serve this purpose it publishes the weekly newspaper SRANAN-MAN. Since the labor movement is taking part in the Udenhout government C-47's activities in the Netherlands have increased. In addition to his discussions with C-47 Tdlohreg will also talk with other groups to improve his grasp of the situation in Suriname. [Text] [Paramaribo DE WARE TIJD in Dutch 26 Apr 84 p 4] 10319

**DPRK FRIENDSHIP COMMITTEE MEETING**--Paramaribo. On Friday 13 April the Friendship and Solidarity Committee Suriname-Korea held its annual meeting in Wi Na Wi and elected a new executive board with Jack Pinas, as chairman.

Yvonne Ravales-Resida became deputy chairman, and Orlando Buyme secretary. Desi Refos, Mundo Frijmersum, Yodi Hermelijn, Roman Bhagwandien, and Gisela Boyce are the members of the board. The memory of the first chairman and founder of this committee, the late Robin Ravales, was honored at this meeting. The activities of the past period were then discussed and the conclusion was reached that they had decidedly led to stronger ties of friendship between the peoples of the two countries. Activities for the year 1984 were then discussed and resolutions of solidarity were passed. In conclusion the new board thanked the members for their confidence and promised to do its very best to expand the ties between the peoples of the sovereign State of Suriname and the Democratic People's Republic of Korea and to make them even stronger. [Text] [Paramaribo DE WARE TIJD in Dutch 21 Apr 84 p 16] 10319

NONRESIDENT FRG AMBASSADOR--On Tuesday 24 April 1984 Dr Johannes Reitberger presented his credentials of Extraordinary Plenipotentiary Ambassador of the FRG to acting President Fred Ramdat Misier who was accompanied by Minister of Foreign Affairs Wim Udenhout. The ceremony was held in the presidential palace and was also attended by H.M.C. Bergen, honorary consul of the FRG. Reitberger is stationed in Port of Spain (Trinidad) and worked before that in the diplomatic service in Canberra, Dakar, Istanbul, Rome, and Lome. Ambassador Reitberger said in his speech that he intends to strengthen the existing ties of friendship between Suriname and the FRG. [Excerpt] [Paramaribo DE WARE TIJD in Dutch 26 Apr 84 p 6] 10319

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